FBIS DAILY REPORT

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CEMA FOREIGN TRADE, TURNOVER BALANCE DISCUSSED

AU111409 Budapest MAGYARORSZAG in Hungarian No 39 29 Sep p 41

[Istvan Garamvolgyi article: "Foreign Trade -- Neighborly Relations -- CEMA Turnover Balance -- The Positions Have Deteriorated"]

[Text] Problems and difficulties are classified according to their timeliness. This explains the fact that, in connection with the foreign economic balance, we almost always said and wrote that a deficit of several billion dollars emerged in the seventies in the turnover accounted in convertible currencies. As a result, we had to ask for foreign credit, and the redemption and servicing of debts. And the Maintenance of the country's international solvency forced the economic policy to change course; the balance deficit in this sector of our foreign trade had to be changed into a surplus. Less was said about the fact that the breakfown of the foreign economic balance was complete and it also took place in the turnover accounted in rubles.

Ten Years of Balance Deficit

The turnover accounted in rubles -- which means basically the economic relations and exchange of goods with the CEMA countries -- was characterized for decades by a steady balance achieved within each entire 5-year plan period. (All the more so because the plan coordinations and long-term foreign trade agreements provided for balanced turnover form the outset and, on an annual level, it was mostly the partner countries' backlog in deliveries or the preliminary deliveries that caused smaller oscillations.) This trend also came to the fore in the 1971-1975 plan period; in the opening and closing years, there was a balance deficit in the turnover accounted in rubles, while in the in-between years there was a positive balance.

In fact, the period in which the country's foreign economic balance was also upset in the turnover accounted in rubles and in which our turnover of goods ended with a deficit every year started with 1975 -- including 1984 it has now been going on for 10 years. (Data on the first half of the current year predicts that this year the turnover accounted in rubles will be approximately balanced, and in an ideal case, it will end in a positive balance.)

The development of the world economic price and turnover relations, which was unfavorable for us, manifested itself in a peculiar way in the foreign trade accounted in rubles. In the exchange of goods accounted in convertible currency, the consequences of the processes that unfolded in 1973 practically hit the Hungarian economy in 1974-1975. The terms of trade indicators deteriorated from 100 to 79.4 between 1973 and 1975, but in the second half of the decade, compared to the bottom line, they improved slightly. Although the waves of the second oil price explosion have worsened the terms of trade indicators in the eighties, their extent was not more than 1-2 percent. (A positive role in this has meanwhile been played by the decrease in energy imports accounted in convertible currency.)

These effects manifested themselves differently in foreign trade accounted in rubles. The application of the so-called adjustable pricing principle and price calculation had indeed held back and delayed the world market price explosion, spiralling price increases, and the subsequent negative effects, the pace and speed of deterioration of terms of trade.

(In the second half of the seventies, the terms of trade of our foreign trade accounted in rubles deteriorated by 1-2 percent annually.) An unavoidable consequence of the delay and softening, however, was the extension of the process, its spread to the eighties. In the period between 1980 and 1984 the import prices of the ruble-accounted exchange of goods increased almost twice as much as those accounted in convertible currency, and the deterioration in the terms of trade also continued. (In 1984, the terms of trade indicator of the ruble-accounted turnover was some 80 percent as compared to 1975.)

Holding back and delaying the price increases and the deterioration of the terms of trade also influenced the development of the balance deficit. In 1975, 1976, and 1977, when the deterioration of the terms of trade was 5 percent in all, the annual trade deficit was not too high. On the contrary, it had a tendency to decrease. But as the effects of the deterioration of the terms of trade accumulated and its pace increased, the annual deficit also increased to R500-600-700 million. (In 1982, also taking into consideration the balance of delivery payments, the deficit topped R692.4 million.)

Where Are We Weak?

Under less changeable world economic and foreign trade conditions, the balance deficit in the exchange of goods is clear: The export performance of a given country did not increase at the same rate as its imports. In the past 10 years, the balance deficit was caused exclusively by changes in the prices and terms of trade. The size and quantity of goods under our ruble-accounted exports increased more vigorously both in shorter or longer periods than the imports -- compared to 1970. In 1984 the volume on imports was 184.7, and that of exports was 269.4. Compared to 1980-1984, the volume of imports was 100.4, and that of exports was 123.7, but even the cut in the dynamics of export-import growth could not counterbalance the deterioration in the terms of trade and avoid the formation of a deficit.

Hungary's participation in CEMA cooperation and, subsequently, in the exchange of goods with the socialist countries has been characterized from the beginning by the fact that the socialist economic community guaranteed for Hungary the bulk of raw and basic materials and energy necessary for the development and operation of the economy. They also supplied Hungary with industrial goods, while the Hungarian economy supplied, among other things, mainly industrial manufactured and agricultural goods. This extremely simplified formula of division of labor can also be noticed in the structure of goods that characterized the beginning of the seventies. (The structure of imports of 1973 was as follows: energy 12.1; materials, semi-finished products, and spare parts: 45.8; investment goods: 25.7; industrial consumer goods: 12.2; agricultural and food industry goods: 4.2 percent. The proportion of the above-mentioned groups of goods in exports was 0.4; 21.5; 37.2; 21.8; and 19.1 percent.)

As a result of the basically different export and import structure of goods, and the similarly different price increases characteristic of certain groups of goods, deterioration in terms of trade, together with price losses were necessary and inevitable. (In 1983, for instance, the terms of trade were 2.7 percent and the price loss was R190 million. Since Hungary purchases the bulk of its energy from the socialist countries, the deterioration in the terms of trade deriving from price increases also manifests itself in the CEMA turnover. The spiraling effect of the second oil price explosion in 1981-82, for instance, increased the contract price of oil by approximately 50 percent.)

The spiraling effects of the world economic changes also affected the exchange of goods with CEMA countries. On the surface this is reflected by the modification of the structure of goods accounted in the prevailing actual price. In our imports, the proportion of energy and of electric energy increased from 12.1 percent in 1973 to 32.2 percent in 1984, the proportion of materials, semi-finished goods, and spare parts decreased from 45.8 percent to 34.1 percent, and the proportion of industrial goods (investment goods and industrial consumer goods) and of agricultural goods decreased to a smaller extent. There was also a change in the structure of export goods: The proportion of materials, semifinished goods, and spare parts increased (from 12.5 to 23.6 percent), as did the proportion of investment goods, from 37.2 to 45.1 percent, while the proportion of industrial consumer goods and of agricultural goods decreased. (That of industrial consumer goods from 21.8 to 16.7 percent, and that of agricultural goods from 19.1 to 13.9.)

But if we analyze the structure from the viewpoint of allowances in kind [naturaliak], we can notice changes which are different from the above. The amount of our export goods accounted in rubles increased by 17.6 percent in the period between 1975 and 1983; to an extent exceeding the average -- by 46.9 percent -- the volume of energy and electric energy as well as that of industrial consumer goods increased, and that of agricultural goods decreased. In exports, the increase in materials (60.2) and in investment goods (54.7) exceeded the average -- 50.4 percent -- and the increase in the amount of agricultural exports (45.5) approached the average. The structural, current-price proportions suggest -- and the data on the volume indicate even more -- that Hungary's structural position with regard to raw materials has weakened compared to previously, and in a certain respect, Hungary has become a net exporter of materials, semifinished goods, spare parts and food industry materials, live animals and food as a whole. If we apply the comparison to a wider scale of products based on natural resources -- to energy, in addition to the above-mentioned ones -- we can conclude that the proportion of exports to cover imports increased considerably after 1973 and exceeds 50 percent.

The Balance on the Agenda

Changes in the value structure and the structure of the exchange of goods in kind with the CEMA countries are important because in the next plan period the timely task in this sector of our foreign trade as well is to restore the balance and gradually clear the deficit accumulated over the past 10 years, while we cannot exclude a smaller further deterioration in the terms of trade, either. The preliminary plan coordination talks -- not yet concluded with most CEMA countries -- indicate that, compared to the 1971-75 period, turnover can be increased by some 20 percent, with exports stronger than imports. (In the case of the latter, imports of energy and raw materials can be maintained only at the level of 1975. Only later might the possible investments increase the amount of imports.)

An open question is where can we achieve an export surplus within the export structure that has been modified anyway, an export surplus that could contribute to the balance situation through a positive balance. In addition to agricultural exports, the currently unused potential performance capacity of the machine industry enterprises could provide such a possibility.

ZHIVKOV INFORMS POLITBURO ON GORBACHEV VISIT

AU302048 Sofia BTA in English 1832 GMT 30 Oct 85

[Text] Sofia, October 30 (BTA) -- Mr Todor Zhivkov, secretary general of the CC of the BCP and president of the State Council has informed the Politburo of the Central Committee of the Bulgarian Communist Party on the friendly visit of Mr Mikhail Gorbachev, secretary general of the Central Committee of the Communist Party of the Soviet Union to Bulgaria which took place on October 24 and 25.

The Politburo approved the information given by Mr Todor Zhivkov.

The Politburo of the CC of the BCP gave a high assessment to the meetings and talks of Mr Mikhail Gorbachev during his visit to Bulgaria. These meetings and talks, which passed in an businesslike atmosphere of complete trust and fraternal friendship, confirmed the unanimity of the views on all issues discussed of the internal and foreign policy of the BCP and the CPSU of Bulgaria and the USSR. They are of paramount importance for Bulgaro-Soviet relations. The agreements reached are a new powerful impetus to the further deepening of the fraternal friendship and cooperation between the BCP and the CPSU, Bulgaria and the Soviet Union and the Bulgarian and the Soviet peoples. They are in the interests of consolidating the unity and cohesion of the fraternal socialist countries on the basis of Marxism-Leninism and socialist internationalism and of the cause of peace and progress in the world.

The Politburo expresses its firm determination to develop the course of comprehensive cooperation and unity between Bulgaria and the Soviet Union.

The translation of this course into life will actively contribute to the rapid mastering of the most advanced achievements of techno-scientific progress, to the activation of the socio-economic development of the country, to the satisfying of the people's growing material and cultural needs.

The Bulgarian Communist Party and the People's Republic of Bulgaria will develop with increasing intensity the contracts with the CPSU and the U.S.S.R. at all levels. They will improve further the coordination of the actions on the international arena. They will strengthen the unity of action in ideological work and in the field of culture, and will develop the contacts between the working people of the (? two) countries. The Soviet experience in different fields of socio-economic life will be more broadly and directly introduced. Bulgaria will do everything necessary to develop its specialization with the Soviet Union in the different branches of production to improve scientific and industrial cooperation and the direct contacts between the factories, institutes, and economic organizations of the two countries. Special emphasis was given to the signifance of the establishment of joint Bulgaro-Soviet science and industry organizations as an objective requirement for the deepening of the socialist economic integration. The long-term program for the development of the economic and techno-scientific cooperation between the People's Republic of Bulgaria and the U.S.S.R. up to the year 2000, signed last June, is also serving that aim. Its implementation will assist the further promotion of the Bulgarian Communist Party's April line for the construction of developed socialism in Bulgaria.

POLISH TRADE UNION ACCORD GROUP ENDS TALKS

AU301053 Sofia Domestic Service in Bulgarian 1000 GMT 30 Oct 85

[Text] Closing talks were held in Sofia today between the visiting delegation of the Polish Trade Union Accord, headed by its chairman, Alfred Miodowicz, and a delegation of the Bulgarian Trade Unions Central Council, headed by Petur Dyulgerov, chairman of the Central Council.

The mutual wish was expressed to expand and intensify the relations and cooperation between enterprises and economic organizations in the two countries for mutual consultations on topical issues of the international trade union movement. The two trade union organizations will optimally contribute to the implementation of the comprehensive program for socialist integration of CEMA member-countries.

Petur Dyulgerov and Alfred Miodowicz, the leaders of the two delegations, signed an agreement on cooperation between the Bulgarian Trade Unions Central Council and the Polish Trade Union Accord. A specific plan on joint activities for the forthcoming year was also adopted and a communique on the visit of the Polish trade union delegation to our country was signed.

ARTICLE STRESSES DESIRE FOR GOOD TIES WITH TURKEY

AU301345 Sofia OTECHESTVEN FRONT in Bulgarian 29 Oct 85 p 3

[Velin Mishev article: "National Day of the Republic of Turkey"]

[Text] The declaration of the founding of the Republic of Turkey (29 October 1923) marked the beginning of the country's modern history. With great hopes for better days, ordinary people accepted the changes implemented more than 6 decades ago under the leadership of Kemal Ataturk. The elimination of the remnants of Ottoman feudalism, the shaking off of religious fanaticism, and the adaptation of the national economy to contemporary requirements were progressive initiatives which brought Turkey out of many centuries of backwardness.

During the 60-year period that has elapsed since that time, the Turkish people have achieved successes in different spheres of life: Many industrial enterprises have been built, and agriculture has attempted to shake off its backwardness. Certain positive steps have been implemented in the development of education, medical services, and culture.

Our country was one of the first to recognize and accept with good will the revolutionary reforms of Kemal Ataturk. During the last 20 years, as a result of the positive approaches of the Turkish and Bulgarian Governments, many initiatives have been implemented, aimed at beneficial cooperation in different spheres of life, especially in transport, communications, and foreign trade. Other ideas have also been raised, the realization of which would contribute to a considerable extent to the stimulation of cooperation between Bulgaria and Turkey.

For this reason, all attempts of any kind to cast gloom on the relations between the two neighboring countries are at variance with the spirit of the times and with what has been achieved in bilateral relations.

The celebration of Turkey's national day is a good occasion to express our good wishes for the early surmounting of these temporary difficulties and to affirm the desire of the People's Republic of Bulgaria for the further strengthening of good-neighbor relations.

REAGAN BBC INTERVIEW SEEKS TO EASE EUROPE'S FEARS

LD302326 Prague Domestic Service in Czech 1730 GMT 30 Oct 85

[Report From London by correspondent Karel Stary]

[Text] In an attempt to overcome the Western European public's resistance to U.S. plans for the militarization of space, U.S. President Ronald Reagan spoke today on the BBC radio station. Our correspondent, Karel Stary, reports from London:

The U.S. President, in an interview for British radio, defended the research and development of space weapons in an apparent attempt to overcome Western Europe's growing resistance to the militarization of space. As he said, when the new weapons are developed, the United States will share them with all countries. An observer here commented on this by saying that it is the same as saying that the best way to prevent a nuclear war is the greatest possible spread of nuclear weapons.

Meanwhile, British Defense Minister Michael Heseltine announced that an intergovernmental agreement on British support and share in the research and development of weapons for the militarization of space is already prepared. The British Government was the first NATO government to support the U.S. plans, and if an agreement is really signed it will be one of the few which will participate in the militarization of space, if the United States really refuses to come to an agreement on preventing the possibility of a war in space and on cooperation for peaceful use of space, which was proposed by the Soviet Union as one of the points of the November summit meeting.

REAGAN SHOWS 'NEGATIVE INTENTIONS' BEFORE SUMMIT

AU301507 Bratislava PRAVDA in Slovak 29 Oct 85 p 7

[Bedrich Zagar article in the "Word on Events" column: "Reagan's Confused Priorities"]

[Text] Typical of the views regarding U.S. President Ronald Reagan's UN speech are those of the British bourgeois press, which expressed profound disappointment. THE TIMES even wrote: "Reagan has to do better when selling the product in the greatest demand -- peace." That is to say, the American president is sidestepping the key problems of the present and trying to direct attention to the so-called hotbeds of tension in the world, which he also wants to put on the top of the agenda during his summit meeting with CPSU Central Committee General Secretary Mikhail Gorbachev.

And precisely this is what Western criticism reproaches him for, because by his stance at the UN forum he lost much of the public's support. While Mikhail Gorbachev -- by his proposals aimed at averting the militarization of outer space and at reducing strategic nuclear weapons by 50 percent, which he submitted during his visit in Paris, and by the stands on disarmament contained in the declaration of the Political Consultative Committee of the Warsaw Pact member-states -- clearly and intelligibly submitted to the world public what he will bring to Geneva, Reagan sidesteps the main problems of mankind and tries to maintain a smiling face. From the highest representative of the United States, the world also expects a clear stance on this vital question: In what way does the United States intend to contribute to mankind's getting rid of the greatest menace, nuclear catastrophe?

Reagan's UN speech, as a high-ranking government official admitted in Washington, was an "intentional attempt to change the general opinion in the world that the Geneva summit meeting is to be oriented toward limiting the arms buildup." He did not respond to the Soviet proposals aimed at halting the feverish arms buildup, not permitting the militarization of outer space, and reducing both countries' strategic arsenals by half. Instead, he concentrated on defending the "star wars" program.

As primary problems, Reagan depicted the situation in Afghanistan, Ethiopia, Angola, Cambodia, and Nicaragua, all of which he throws into the same bag. He accords to counterrevolutionary gangs the same rights as to democratically elected governments. And, after all, if in the aforementioned countries there are any problems, then behind them stands only the United States who, as is known, funds and equips everything aimed against progress and tranquility in those countries. The United States is behind the bandits that penetrate from Pakistani territory into Afghanistan, as it is behind the UNITA [National Union for the Total Independence of Angola] antigovernment organization in Angola, not to mention the Somozist counterrevolutionaries and various mercenaries who, with the aid of CIA money and weapons, make forays into Nicaragua, where they murder defenseless villagers. Thus, if the United States and President Reagan personally are interested in the settlement of the situation in the aforementioned countries, then this depends in the first instance on him.

That is to say, if Reagan were interested in eliminating the hotbeds of tension in the world, he would have had to mention in his speech, above all, the Middle East and southern Africa, where the main sources of bloodshed are Israel and the Republic of South Africa respectively. However, the United States is interested in these hotbeds of tension in a negative sense; it asserts there its political, economic, and military interests against the will of the majority of nations.

Three weeks prior to the Geneva summit meeting, Ronald Reagan is obviously not clear about what to put down on the negotiating table. Priorities are important, and Reagan has them somewhat confused. This also arose from the meeting with the highest representatives of the Western allies -- Great Britain, the FRG, Italy, Japan, and Canada (French President Mitterrand refused to take part in that meeting) -- that was to provide the American President with a seal of approval and support for the meeting with Mikhail Gorbachev. All the allies that were present urged the American President to allow limiting the arms buildup to remain a priority at the Geneva meeting. Italian Premier Bettino Craxi expressed it best: There exist Soviet proposals containing positive elements, and now it is necessary to have counterproposals for reducing the level of nuclear weapons.

President Reagan did not win sympathies in the auditorium with his UN speech, nor did the public in the West get the impression that the President will know exactly what he wants in Geneva. It seems, rather, that he might be able to talk more about what he does not want. His preparations for Geneva have been marked thus far by negative intensions rather than by a constructive approach that could fulfill the aspirations of the nations, that is, a palpable relaxation of international tension and a turn for the better in the general situation.

EX-MINISTER CHARGED WITH STEALING VALUABLES

AU301536 Vienna KURIER in German 30 Oct 85 p 3

[Text] Only now, almost exactly 1 month after the deposition of CSSR Finance Minister Leopold Ler, the causes of this surprising measure are leaking out: Informed circles in Prague claim that the finance minister, who is regarded as a pragmatic technocrat, unlawfully lined his pockets.

Some of the misdemeanors date far back, but have now been "unearthed" According to the information from Prague, Ler made a "discovery" as early as in 1958 in his then capacity as deputy finance minister, together with then State Bank Director Otokar Pohl and Security Service Colonel Jiry Jybin. In the strong rooms of the State Bank there were safe deposit boxes that had not been used for years, since no visitors for them were listed. These unused safe deposit boxes held the property of rich Prague Jews who had died during the war in Nazi concentration camps, of Czechoslovak citizens who had managed to escape in time before Hitler's invasion, and of persons who fled the country after the Communists seized power.

It was real, untouched treasure that had been there for many years: gold, jewelry, antiques, as well as cash, savings and check books. Instead of delivering all of it to the state, the three men managed illegally to keep for themselves a considerable part of this treasure. The fact that this long-known fact has now been brought to light and was used against Ler seems to indicate that he has lost the protection of his "guardian angels."

HONECKER RECEIVES SYRIA'S AL-KASM FOR TALKS

LD310952 East Berlin ADN International Service in German 0921 GMT 31 Oct 85

[Text] Berlin, 31 Oct (ADN) -- Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, received Syrian Prime Minister Dr 'Abd al-Ra'uf al-Kasm, member of the regional leadership of the Arab Socialist Ba'th Party, for a talk on Thursday morning [31 October] Other representatives from the two countries were present at the meeting in the SED Cental Committee building in Berlin's Marx-Engels-Square.

AFGHAN DELEGATION MEETS HOFFMANN, ENDS VISIT

AU291001 East Berlin NEUES DEUTSCHLAND in German 26-27 Oct 85 p 2

[Text] Berlin (ADN) -- At the end of its 1-week stay in the GDR the military delegation of the Democratic Republic of Afghanistan [DRA], headed by Lieutenant General Mohammad Nazar, member of the DRA's Central Committee, member of the DRA Revoluntionary Council, and DRA minister of national defense, was received on Friday [25 October] by Army General Heinz Hoffmann, SED Central Committee Politburo member and minister of national defense.

Minister Hoffman judged the visit to be an important contribution to further deepening the friendship and cooperation between the two nations and their armed forces. The delegation, he said, convinced itself that the soldiers of the people, fully in line with the decisions of the Political Consultative Committee of the Warsaw Pact countries, which are closely allied with the USSR's Armed Forces and other fraternal armies, are making every effort to safeguard peace in the heart of Europe and to reliably protect the socialist achievements.

Lt Gen Mohammad Nazar paid tribute to the hospitality and the many varied opportunities he was offered to acquaint himself with the German worker-peasant state, its National People's Army, and its border troops.

The meeting was attended by members of the Collegium of the Ministry of National Defense. Also present was Abdul Wahed Baba Jan, ambassador extraordinary and plenipotentiary of the DRA to the GDR.

On the same day, the delegation was seen off with a military ceremony.

HONECKER MEETS WITH ETHIOPIAN PARTY OFFICIAL

LD301754 East Berlin ADN International Service in German 1512 GMT 30 Oct 85

[Text] Berlin, 30 Oct (ADN) -- Erich Honecker, SED Central Committee general secretary and chairman of the GDR State Council, and Legesse Asfaw, Politburo member and secretary of the Central Committee of the Workers Party of Ethiopia (WPE), exchanged views on Wednesday in Berlin on topical questions regarding the struggle of the peoples against imperialism's most aggressive course of confrontation and arms build-up, and for the preservation and safeguarding of peace.

Erich Honecker explained the results of the recent Warsaw Pact Political Consultative Council meeting in Sofia.

The declaration adopted there provides a comprehensive program for the governments and peoples of the entire world regarding the elimination of the nuclear threat and for an improvement in the arena of international relations.

Further cooperation between the two parties and states was also discussed. Erich Honecker paid tribute to the good SED-WPE relations, and gave an assurance that the WPE and the Ethiopian people can continue to be certain of active support.

KERN RECEIVES PRC JUDICIAL DELEGATION FOR TALKS

AU291134 East Berlin NEUES DEUTSCHLAND in German 26-27 Oct 85 p 2

[Text] East Berlin (ADN) -- On Friday [25 October] Dr Herbert Kern, state secretary in the GDR Ministry of Justice, received in Berlin a delegation of the PRC Ministry of Justice. The talks during its visit deal with the mutual exchange of information for judicial development in both countries, the tasks and working methods of the ministries of justice, courts, state notariates, and lawyers assemblies, as well as the basic and advanced training of judicial cadres.

LONG-TERM TRADE AGREEMENT SIGNED WITH CSSR

AU291157 East Berlin NEUES DEUTSCHLAND in German 26-27 Oct 85 p 2

[Text] East Berlin (ADN) -- On Friday [25 October] Horst Soelle, GDR minister of foreign trade, and Bohumil Urban, CSSR minister of foreign trade, signed in Berlin the Long-Term Agreement on Mutual Goods Deliveries Between the GDR and the CSSR in the 1986-1990 Period. It is based on the protocol signed on the coordination of the national economic plans and on the numerous treaties on production specialization and cooperation.

In line with the structure of the two national economies the agreement provides for extensive mutual deliveries in the field of machine building and electrical engineering electronics. The traditional exports and imports of raw materials and fuels, and of chemical products and consumer goods for production and for supply to the population will continue.

At the signing of the agreement the ministers paid tribute to the envisaged dynamic development of commodity exchange as well as the deepening of economic and scientific-technological cooperation between the two countries over the next 5 years. This agreement is in line with the basic agreements of October 1982 and 1983 reached between Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, and Gustav Husak, general secretary of the CPCZ Central Committee and CSSR president, and in line with the decisions of the CEMA member-countries' economic talks at the highest levels. They stressed the importance of foreign trade relations for increasing the output and effectiveness of both countries' national economies. The signing of the long-term trade agreement was attended by Pavel Sadovsky, CSSR ambassador the the GDR.

HOFFMANN REVIEWS 1984-85 MILITARY TRAINING YEAR

AU290834 East Berlin NEUES DEUTSCHLAND in German 26-27 Oct 85 p2

[Text] Berlin (ADN) -- A conference of commanders to evaluate the 1984-1985 training year of the National People's Army [NVA], the GDR border troops, and the civil defense was held on Friday [25 October] at the defense ministry.

Addressing commanders, political and staff officers, Army General Heinz Hoffmann, member of the Bolitburo of the SED Central Committee and minister of national defense, summed up the results achieved by the army members, border soldiers, and civilian employees on the path to the 11th SED Congress. The fighting strength and combat readiness of the leadership organs, troops, and naval forces had been further perfected.

The tasks related to the ready alert system and the combat service, as well as to the securing of the state border had been accomplished well. The members of the NVA and of the GDR border troops are ready and capable to reliably fulfill the class assignment given to them, at the side of the Armed Forces of the USSR and of the other fraternal armies. For their achievements in reliably protecting socialism and peace the defense minister conveyed to all army members, border soldiers, civilian employees, and members of civil defense the gratitude of Erich Honecker, general secretary of the SED Central Committee, chairman of the State Council and of the GDR National Defense Council. Subsequently, Army General Hoffmann reviewed the international situation. At the Sofia session of the Political Consultative Committee the leading representatives of the Warsaw Pact countries focused their main attention on the most pressing tasks of the struggle for peace, the elimination of the nuclear danger, and on an improvement in relations in Europe and in the world at large, he stated.

The key issues focused on at the conference were preventing the militarization of space and halting the arms race, primarily in the nuclear field, disarmament, a return to detente, and mutually advantageous cooperation on the basis of equal rights and peaceful coexistence, Hoffman said. The unanimously adopted declaration constitutes a broad peace platform, the defense minister emphasized. It underscores the main lesson of World War II that the active cooperation between states with different social systems in the struggle for peace and security and against aggression and war is both necessary and possible. The Warsaw Pact countries do not strive for military superiority, but they will not permit anyone else's superiority over them.

Therefore, for the protection of socialism and the defense of peace, it is necessary to maintain the combat readiness and fighting capability of the troops and naval forces at the required level, and to constantly consolidate the comradeship-in-arms of the joint armed forces. The 30th anniversary of the NVA obliges the people's soldiers to bring to a particularly successful conclusion this stretch of road that leads to the 11th SED Congress. Now, and in the first few months of the 1985-86 training year, it is important to create the theoretical and practical prerequisites for ensuring the required development of the armed forces in the forthcoming stage, in keeping with the standard of the resolutions that may be expected from the 11th party congress. "We are facing these tasks with well-founded optimism," the minister said. "This optimism is above all based on the inseparable unity of the party, people, and army, and on the strength of the fraternal countries, and armies allied with the Soviet Union in the Warsaw Pact."

BRIEFS

GISELA GLENDE HONORED -- Erich Honecker, general secretary of the SED Central Committee, today [30 October] conferred the Karl Marx Order on Gisela Glende, member of the Central Committee. The high honor was awarded to the chief of the Bureau of the Politburo on the occasion of her 60th birthday. In the presence of Central Committee secretaries, Erich Honecker praised Gisela Glende's willing and meritorious work in the party apparatus. [Text] [East Berlin Voice of GDR Domestic Service in German 1100 GMT 30 Oct 85 LD]

FURTHER REPORTAGE ON KADAR-HONECKER TALKS

LD301424 Budapest MTI in English 1015 GMT 30 Oct 85

[Text] Budapest, October 29 (MTI) -- Invited by Janos Kadar, secretary of the Hungarian Socialist Workers' Party, Erich Honecker, general sercretary of the Central Committee of the German Socialist Unity Party and president of the GDR State Council, paid a friendly working visit to the Hungarian People's Republic on October 28-29.

In the course of the cordial, comradely talks the two party leaders gave briefs on the achievements and targets of socialist construction in their countries. They discussed international issues and topical questions of the international communist and working class movement, and the state of the cooperation of the two parties and fraternal countries and the opportunities for its development. They signed the long-term Hungarian-GDR Economic and Technical-Scientific Cooperation Programme Until the Year 2000.

The parties stated with satisfaction that the relations of the HSWP and the GSUP, and the Hungarian People's Republic and German Democratic Republic develop well in all walks of life. They stressed that cooperation on the bases of Marxism-Leninism and proletarian internationalism exerts a favourable influence on both countries' [word indistinct] development. They confirmed both parties's steady efforts for the strengthening of mutually advantageous relations.

They devoted special attention to issues of bilateral economic and technical-scientific cooperation. It was stated with satisfaction that the coordination of 1986-1990 national economic plans had concluded with satisfaction. The Hungarian-GDR Economic and Technical-Scientific Cooperation Programme Until the Year 2000 serves the long-term development of economic relations. The parties stressed that Hungary and the GDR wish to continue to actively contribute to the development of socialist economic integration and the acceleration of the technical-scientific development and cooperation of CMEA countries.

Janos Kadar and Erich Honecker agreed that, as a result of the policy of confrontation of extreme imperialist circles, the international situation was still tense. Those forces make efforts to upset military-strategic balance and gain superiority and thereby they increase the arms race. The efforts of the United States to extend the arms race over the outer space are extremely alarming.

The general secretaries of the HSWP and the GSUP also agreed that these dangerous processes were reversible and the continuation of the dialogue and the protection of peace were possible. The negotiating parties expressed their full support to the recent peace proposals of the Soviet Union, which gave further opportunities for preventing the militarization of the space, the reduction of strategic nuclear armament and the strengthening of peace and security in Europe. They stressed that an important statement was adopted at the meeting of the Political Consultative Committee of the Warsaw Treaty member states in Sofia, which makes initiatives for the strengthening of international security and detente and the reduction of the arms race, and confirms the validity of several further proposals.

Janos Kadar and Erich Honecker welcomed the summit of Soviet and U.S. leaders planned to be held in November and expressed their hopes that it would contribute to a general improvement of the international situation.

Concurrently the parties stressed that Hungary and the GDR continue to take every opportunity to actively contribute to the common efforts of the socialist countries designed for the protection of peace, strengthening international peace and the extension of dialogue among countries of diverging social systems. The Hungarian party appreciated the joint initiative of the GSUP and the SPD for the establishment of a chemical weapon free zone in Europe and the joint GDR-Czechoslovak proposal to the FRG Government to start talks on the issue. The parties expressed support to the efforts for the establishment of nuclear free zones in Europe.

The general secretaries of the HSWP and the GSUP stated that the process started in Helsinki ten years ago proved to be viable. The current cultural forum in Budapest was taken as an important stage on the road of the protection and furtherance of the achievements of detente. The parties expressed their hope that the forum would work successfully and promote the wide introduction of the cultural values of the participating countries and the improvement of cultural cooperation in Europe.

The working meeting of Janos Kadar and Erich Honecker was characterized by a cordial, comradely atmosphere and the full identity of views in all issues discussed. It contributed to the strengthening of the traditional friendship and cooperation of the HSWP and the GSUP, and the Hungarian People's Republic and the German Democratic Republic.

Erich Honecker invited Janos Kadar for a friendly visit to the GDR. The invitation was accepted with thanks.

UNESCO OFFICIAL LAMENTS U.S. DEPARTURE

AU281041 Budapest MAGYAR HIRLAP in Hungarian 22 Oct 85 p 2

[Interview with Anders Arfwedson of UNESCO, deputy director of cultural affairs by Laszlo N. Sandor in Budapest: "Would UNESCO Survive?"; -- date not specified]

[Excerpts] [Question] Mr Arfwedson, what is your opinion on talking about a crisis in UNESCO?

[Answer] This is correct, because the members of the Executive Committee, who are responsible to the General Assembly, are also talking about a crisis. If an organization such as UNESCO loses a quarter of its budget from one year to the next and this is what happened after the withdrawal of the United States -- this fact will fundamentally affect the programs of the UNESCO in cultural, educational, and scientific areas, and result in personnel changes. At the same time UNESCO is also facing the danger of other members leaving the organization, above all the United Kingdom. It is very difficult to adjust to a situation where the budget is decreasing. -- Apart from this, withdrawals may undermine the universality and the principle of existence of the UNESCO.

[Question] Will UNESCO survive the crisis?

[Answer] I hope it will... We are confident that sooner or later the United States will return to UNESCO and the situation will be cleared up. At the Sofia conference the director of the UNESCO ceremonially appealed to the United States to consider the question of returning and thus contribute to restoring the universality of the organization.

[Question] And what if the United States does not follow this appeal and the situation deteriorates further?

[Answer] As far as the member-states are concerned, there is a clear and definite demand to maintain such a cultural scientific, and educational organization, and because there is an objective need for it, a similar but different organization would be established in the case of a possible though unthinkable dissolution of UNESCO. The approved programs relate to many years to come. However, in spite of ominous signs, I think there is no real danger of UNESCO dissolving.

NO CHANGES IN WAGE CONTROL EXPECTED IN 1986

LD291913 Budapest MTI in English 1720 GMT 29 Oct 85

[Text] Budapest, October 29 (MTI) - The Hungarian Government plans no fundamental change in the company income and wage control system in 1986. The aim is to help fulfil the targets of next year's national economic plan which highlights increase of productivity, acceleration of technical progress, boost of export and reasonable economy. The rate of inflation, which was 7 per cent in 1985, is to be cut. In 1986 average wage raises may not exceed 5-5.5 per cent, compared to this year's level of 7.5-8 per cent. The profit tax of companies is to go up from 35 to 40 per cent.

Investment opportunities are expected to improve in a few areas. From next year on, taxes paid after export-promoting investments will drop from the general 18 per cent to 8 per cent. Property and profit tax allowances are to be granted to new commercial houses founded with joint capital outlay.

Company wage control is primarily aimed at curbing price rises. Company taxes after wage raises are to swell, and fewer companies will be granted preferential treatment. Although an extra tax is to be levied on average wage raises exceeding 10 per cent, companies in the black will be able to effect four times higher wage raises than the lameducks. [as received]

OFFICIAL COMMENTS ON WORLD BANK, IMF POLICIES

AU291252 Budapest MAGYAR HIRLAP in Hungarian 25 Oct 85 p 7

[Interview with Janos Fekete, first deputy chairman of the Hungarian National Bank, by Istvan Matko: "Our Relations with the World Bank and the International Monetary Fund -- Toward a New Credit Crisis? -- Interview with Janos Fekete, first deputy chairman of the Hungarian National Bank"; place and date not given -- first paragraph is paper's introduction]

[Exerpts] As we have already reported, the 40th annual general conference of the Bretton Woods financial institutions, the World Bank and the International Monetary Fund, was held in Seoul. The members of the Hungarian delegation were the experts of the National Planning Office, the Finance Ministry, and the Hungarian National Bank. Our delegation was led by Janos Fekete, first deputy chairman of the Hungarian National Bank, who addressed the conference. We spoke with him about his experiences.

Matko: Our coordinated measures are well characterized, I think, by the fact our foreign currency reserves are at a higher level than before the outbreak of the international debt crisis; and following our last consultation with the International Monetary fund, this organization evaluated our situation and concluded that Hungary no longer needs the support of the IMF in 1985. This year we are even paying in advance some of our obligations that are due in 1986.

As far as our cooperation with the World Bank and the IMF is concerned, we want to continue this cooperation since we regard it as fruitful. However, I also mentioned in Seoul that the international financial organizations can help an indebted country to overcome its difficulties only if they start from the possibilities of that given country. Assistance whose conditions endanger the political stability of the indebted country because they are unacceptable to the workers, does not improve but worsens the situation of the indebted country.

Matko: The question is how external circumstances will develop. Many countries in the world, as well as Hungary, are interested in knowing whether we are approaching a new financial credit crisis.

Fekete: The concern is justified. The cooperation between the international institutions, the governments, and the central and trade banks has thus far "dealt with" the international debt crisis. The slow and unequal economic recovery which reached its peak in the industrial countries in 1984 has somewhat eased the pressure on several indebted, developing countries. There are increased signs, however, that this recovery — the first period of rephasing the debts -- has brought only temporary relief.

Matko: Concerning the requirements formulated at Seoul: What should be done in order to achieve stabilization?

Fekete: The policy conducted by the international financial institutions is of outstanding importance for all the member countries. The IMF should play a role in promoting international financial stability and external adjustment. I believe that the supervisory function of the IMF is most important in the case of countries which, through their economic policy, exercise the greatest influence on the world economy.

Concerning IMF activity in support of the balance of payments, the severe burden of debt-servicing fully justifies the maintenance of the so-called "expanded credit policy" of the IMF. The countries that carried out a successful adjustment should be supported in embarking on the road of permanent economic growth.

We also definitely support strengthening the World Bank. It is impossible to maintain and increase the important current role of the World Bank without a considerable increase in its credits. Hungary is for a new, general capital increase.

Matko: In addition to this support, are we playing an active role in the financial organizations or are we only taking loans?

Fekete: Ever since we became members of the World Bank, we have tried, in accordance with our modest possibilities, to contribute toward strengthening its basic capital.

PROCUREMENT PRICES OF PIGS WILL RISE 1 JAN

AU251447 Budapest NEPSZABADSAG in Hungarian 19 Oct 85 p 20

[Report by "correspondent": "Procurement Prices of Pigs and Poultry To Rise in January -- Press Conference in the Ministry of Agriculture and Food"]

[Text] Istvan Kovacs, head of a main department of the Ministry of Agriculture and Food, said at his press conference that the procurement price for slaughter pigs and poultry will go up as of January. This measure is necessary because the number of animals has dropped significantly during the past months. Some signs already show that this year's total of sold fattened pigs will be 1 million below the figure of last year.

In the first half of the Sixth 5-Year Plan production of slaughter pigs increased according to plan but, in the last 2 years, the world market price for pig meat decreased by 10-20 percent. Thus, the country was forced to reduce production of slaughter pigs but was still able to satisfy domestic demands and maintain external markets. The measures taken shifted the burden to the pig farmers and the results show that pig production has been 4 percent less profitable in the current year. A further reduction in the number of animals occurred because of high production expenses during the 2-year drought period and the recent cold weather. Small-scale farmers distrusted the suggested procurement according to quality of slaughter pigs and reduced the stock of animals.

By now, the number of pigs has been considerably reduced though market demands increased. Therefore, the government economic committee issued a measure to be enforced as of January which will provide greater production incentives. The basic procurement price for butchered pigs will increase by a total of 3.1 forints per kilo. At the same time the preferential maximum weight of butchered pigs will be raised by 5 kilos. The price system will be simpler, because the previous industrial bonuses and this year's quality premiums will be incorporated in the basic prices: This is how the 3.1 forint total increase per kilo is arrived at. The seasonal and quantity surcharge remains the same for both industrial and small producers, and this price continues to be 1 forint per kilo in each case. A new measure stipulates that the basic price of exported live pigs will increase by 2 forints per kilo. According to calculations, the industrial pig producers will increase their income by a total of 2 forints per kilo as a result of the new measures.

In his news briefing Istvan Kovacs stressed that animals from small farmers will be paid for according to live weight, as in the past. The planned procurement based on quality that became widely known in recent months will only be introduced if the small-scale farmers request it. Those farmers who chose this sale arrangement will be paid a quality premium.

If the weight of the animal sold as live weight is between 95-120 kg the basic price for all pigs will be raised by 3.8 forints per kilo. This also means that as of January the preferred maximum weight for procurement will be increased by 5 kg. To give one practical example: The basic procurement price of 95-120 kg pigs is 35.5 forints this year, and the basic price on 95-125 kg pigs will be 39.3 forints.

To improve the quality of meat and the raising of pig stocks by small-scale farmers the meat industry intends to sell 50,000 young sows in farrow from November to March. To increase the incentives for buying pigs it is intended to raise the 1,500 forint subsidy per sow to 2,000 forints between November and March and to 2,500 forints during December, January, and February.

The increasing demand of the market requires higher production of fattened chickens. In order to boost production the previously announced 2-forint seasonal premium per kilo will be introduced in November and, in spite of the planned drop of 1 forint, the price will remain the same during next summer. Production will also be boosted by the fact that additional sales between November and March will be accepted by contractors at a price augmented by a 50 filler seasonal premium per kilo.

A fodder supply that better fulfills demands is also a requirement for increasing incentives for breeding and fattening, not just the increase of the procurement prices. Thus, a new law will be introduced as of January to regulate the production of industrial fodder. As a result, fodder mixtures with higher nutritive content and of better quality will be on sale. This means in practice that the protein and energy content of feed substances will increase by 10-15 percent. In addition, flour-milling and crop selling enterprises agreed to sell to the small farmers 300 kg of cereal fodder for each fattened pig sold.

FINANCE OFFICIAL COMMENTS ON TAX MODIFICATIONS

LD290353 Budapest Domestic Service in Hungarian 1730 GMT 28 Oct 85

[Summary] A press briefing was held today in the National Assembly building about the modification of enterprise income and wage regulation. In 1985 wages on average rose between 7.5 to 8 percent according to plans, while in 1986 only a 5.0-5.5 percent nominal wage rise is planned -- this is because price rises, too, are planned to be smaller than this year. A new feature of the 1986 wage regulation which was introduced in 1985, is that in order to slow down the increase of excessive incomes the tax on the enterprise, which raises the average wage over 10 percent, will rise. Istvan Kollarik, department head in the Ministry of Finance, speaks to Budapest Radio.

[Kollarik] There are two reasons for the 1986 modification of the enterprise regulations: one is the ending of favorable treatments which were temporarily introduced in 1985. The other more significant reason, is that in 1985 the economic situation is worse than we would have liked.

One part of the modifications is to pull the economy in the direction of balance; in other words, money drawn in by the state will grow, although this will be accompanied by incentives which combined with the tightening will aim to provide opportunities for an economic upturn, for developments to move toward exports, and for the acceleration of certain government programs.

An example of increased economic strictness is that the profit tax in 1986 will be increased by 5 percent, to a level of 40 percent. Parallel with this the tax on gross income of small cooperatives will grow from 35 to 38 percent. An example of the incentive measures is that the accumulation tax will decrease gradually from the second half of 1986 from 18 percent to 15 percent, and in the case of investments that develop exports, or in some of the investments of specified government programs, the accumulation tax will be 8 percent starting from 1 January 1986.

To encourage the movement of capital between enterprises, the accumulation tax has been abolished when such items are purchased. In the case of buying machines and instruments for leasing them out the accumulation tax will be 8 percent.

Other modifications aim to eliminate the favorable treatment which the construction industry, research institutes, technological development enterprises, foreign tourism, and book distribution received in the form of wage tax allowance after wages. This favorable treatment will be stopped or gradually abolished by 1987, to make all favorable treatments uniform for most enterprises. The asset tax allowance will stop in four textile industry branches -- the cotton and wool, flax and hemp, and jute and silk industry -- and likewise in public road and air transportation.

Some changes aim to express certain economic or social preferences; for example, first of all the planned 20-24,000 (unit not specified) profit tax allowance which enterprises will receive after each completed apartment will encourage firms to participate in building homes for their employees. In order to encourage the training of skilled workers, wages tax, accumulation tax and asset tax in respect to training will cease. Subsidy for workers with reduced work capacity can be directly transferred by enterprises into their interest fund, and they do not have to pay wages tax after the wages of such employees.

In order to encourage the folk arts tradition, enterprises producing folk arts and house crafts will receive profit tax allowances, and so will small trade enterprises within the domestic commercial branch which operate in small settlements. The shift allowance, opening hours and overtime allowance of seasonally open food shops will also be exempt from wages tax.

[Announcer] The rate of inflation must be reduced and the social and political achievements must be maintained. Since, however, the budget income cannot be reduced -- otherwise the government would have to ask for further foreign loans -- the burden on enterprises, too, cannot be reduced significantly, either.

[Kollarik] The enterprise income and wage regulations introduced for 1985 indeed did receive the best possible reception. However, the rate of growth of industrial production is significantly smaller than planned. Efficiency in the energy sector, in the economy's energy consumption or the foreign trade structure has not improved as we would have liked. Results are below what we expected, and this cannot be blamed exclusively on the regulations.

When talking now about the budget situation becoming unfavorable again we are saying that considering the interrelations with the international payment situation certain steps must be taken. This is why the profit tax had to be raised; our balance situation demands a change. For a long time the government and its financial administration had the determined aim of limiting primarily the financial subsidies to and favorable treatments of enterprises -- in other words, limiting government expenditure. However, in the past period, our effort has not achieved the desired results.

BRIEFS

DEATH OF LASZLO NANASI -- Laszlo Nanasi, a member of the Presidential Council and founding member of the one-time National Peasant Party died today at the age of 79. His funeral will be held at the Mezoe Imre Street Cemetery in Budapest on 11 November. [Summary] [Budapest Domestic Service in Hungarian 1730 GMT 30 Oct 85 LD]

WEINBERGER SAID TO OPPOSE AGREEMENTS WITH USSR

LD301858 Warsaw Domestic Service in Polish 1105 GMT 30 Oct 85

[Andrzej Walatek commentary]

[Text] The nearer the Geneva summit gets, the more political events preceding it are examined in its context. The deliberations of the so-called NATO Nuclear Planning Group, going on in Brussels, are not a good prelude to the Geneva meeting. U.S. Defense Secretary Caspar Weinberger is playing first violin here. As they say in the United States, he is the man with the largest account in the Washington budget, an account earmarked for military spending; he is a general opponent of all agreements with the Soviet Union. It is no wonder he brought to Brussels a briefcase packed with satellite photographs, intending to convince America's West Eurpean allies that the Soviet Union has violated the arms control treaties and that therefore the implementation of the Reagan "star wars" plan is imperative, and that specific Soviet disarmament proposals are pure propaganda.

It emerges from reports that the majority of West European governments are nevertheless afraid that this stance may lead to increased tension in international relations. They explain the increased activity by the American hawk by the fact that he was not included, although he expressed his desire to be so many times, in the American delegation to the Geneva talks. There is, however, a second, more powerful world current, expressed in the great, antinuclear demonstrations in the West countries: a current represented by the neutral countries which have published a message expressing real hope that the meeting between the leaders of the superpowers will halt the process of increasing tension, lead to a halt to nuclear tests, and open up a new era of peace.

JARUZELSKI ON RELATIONS WITH U.S., USSR

LD261450 Warsaw PAP in English 2105 GMT 25 Oct 85

[Text] New York, Oct 25 -- As already reported, the U.S. weekly "TIME" published comprehensive fragments of Gen Jaruzelski's interview, made during his stay at the session of the U.N. General Assembly. The full text of the interview follows:

Q: What is the state of bilateral relations between Poland and the United States? What are the prospects for their improvement?

A: These relations are bad indeed, as they have never been before. It is not Poland's fault. Asking about the prospect for improvement should be thus addressed to Washington, not to Warsaw.

We are prepared for full normalization in our bilateral relations with the United States. But this has to be paralleled by a return to elementary political realism and, above all, a halt to the practices that hurt our people.

Q: To what a degree is the "Solidarnosc" still a problem for your government? How do you explain the sources of the still existing support for it?

A: That chapter has been closen. The American public has been continuosly misinformed about the real situation in Poland, including the origins of Solidarity and the destructive consequences for the stability of the nation and economy.

In today's Poland, the problem No. one apart from economics, is the strengthening of socialist democracy, increasing the role of working people in running the country. Our party and the new independent, self-governing trade unions, having the membership of more than 5.5 million, carry on everything that was consistent with the actual social aspirations in the workers' protest of August 1980, with the interests of our nation and state.

The overwhelming majority of members of the former "Solidarnosc" take constructive part in the socio-political life of the nation. They account for more than two thirds of the present trade union membership. They participate in the various organs of authority, run for parliamentary seats, work in the numerous political and social organizations, including the composition of the authorities of our party, the Central Committee inclusive. Their support for the policies of our government is thus obvious. What remained is an ever more isolated group of people who over the past few years have been able to learn nothing. The support lent them from the outside is a politically abortive action, deprived of any future.

Q: Did any change take place in the relationships between the Soviet Union and Poland as a result of the assuming of the post of general secretary by Mr Gorbachev? Do you perceive any changes in the relationships between the Soviet Union and Eastern Europe as a whole?

A: Poland has been linked with the Soviet Union for more than 40 years by friendship and close cooperation. This friendship is lastingly based on the community of social systems, national interests and on the alliance of our states.

I am not in a position to speak out on behalf of the entire Eastern Europe. Insofar as Poland goes, with satisfaction and full approval we follow the dynamic, far-sighted policy pursued by the Soviet present leadership, with Mikhail Gorbachev at the head. We desire that our country meaningfully participate in this creative trend of socialism.

That is mirrored, among other things, in the expansion of the plane of the Polish-Soviet contacts, particularly in the intensification of the integrated cooperation in the field of science and technology. Just a few days back, I had the opportunity of signing a very important agreement between Poland and the Soviet Union on close coordination of our work until the year 2000. This eloquently corroborates the import borne for us today and tomorrow by the close and equal-right relations with the socialist superpower.

MLYNCZAK RETURNS FROM UN, ASSESSES VISIT

LD270141 Warsaw Domestic Service in Polish 1105 GMT 26 Oct 85

[Text] Tadeusz Withold Mlynczak, deputy chairman of the Council of State returned from New York from the gala session of the United Nations. Here is his statement for Polish Radio made at the airport.

[Begin Mlynczak recording] The gala session of the UN ended with the adoption of the declaration of the Year of Peace. This is an important final feature of the session, and that, perhaps should be stressed first of all. It also has to be emphasized that I had the opportunity to determine that Polish initiatives included in Premier Wojciech Jaruzelski's speech were lasting and functioning in the international community. They are awakening interest and they are often discussed. I discovered this in my talk yesterday with the UN secretary general. There is something else I would like to add. The meeting of Premier General Wojciech Jaruzelski is also lasting in the Polonia milieux. It is spoken about, and the view of Poland is more open, with the intention of coming closer to Poland. [end recording]

REPORTAGE ON VISIT BY ROMANIA'S DASCALESCU

Received by Jaruzelski

LD301505 Warsaw PAP in English 1415 GMT 30 Oct 85

[Text] Warsaw, Oct. 30 -- Prime Minister of the Socialist Republic of Romania Constantin Dascalescu arrived in Poland earlier today at the invitation of the Polish Government.

The Romanian guest was received by PUWP CC First Secretary, Chairman of the Council of Ministers, General Wojciech Jaruzeski.

Talks Held Leaders

AU302045 Bucharest AGERPRES in English 1938 GMT 30 Oct 85

[Text] Warsaw (AGERPRES) 30/10/1985 -- Constantin Dascalescu, prime minister of Romania, paid a working visit to Warsaw on October 30, 1985 upon the invitation of the Polish Governmemt.

The same day, he met Wojciech Jaruzelski, first secretary of the CC of the Polish United Workers' Party, chairman of the Council of Ministers of the Polish People's Republic, to whom he conveyed a comradely salute and the best wishes of good health and further successes in his activity in the service of Socialist Poland and of the friendly Polish people on behalf of Nicolae Ceausescu, general secretary of the RCP, president of Romania.

Wojciech Jaruzelski warmly thanked for the message and conveyed Nicolae Ceausescu cordial friendly greetings and the best wishes of good health and ever greater between wishes of good health and ever greater successes in his activity devoted to the prosperity of Socialist Romania and of the Romanian people.

The Romanian premier highlighted the special attention the RCP and Romanian state leadership, President Nicolae Ceausescu personally pay to the strengthening of friendship and deepening of manysided collaboration between the two parties and countries, in the spirit of mutual esteem and confidence.

During the interview, information was exchanged on current questions of socialist construction in the two countries.

Opinions were exchanged on the measures taken for the continuous strengthening of multilateral cooperation between Romania and Poland, and emphasis was placed on the need to expand and intensify further their mutually advantageous bilateral collaboration.

Special stress was laid on the need to intensify cooperation in and specialization of production, as dynamic factors of bilateral economic relations, as well as to ever closely integrate technical and scientific collaboration into cooperation and specialization venture.

Premier Constantin Dascalescu conducted talks with Zbigniew Messner, first deputy chairman, and Manfred Gorywoda, deputy chairman of the Council of Ministers of the Polish People's Republic.

The results were highlighted scored in the expansion and diversification of commercial exchanges, of cooperation in and specialization of production in the spirit of the long-term programme for the development of economic, technical and scientific collaboration between the two countries signed at summit level in Warsaw in June 1984.

It was agreed that the relevant economic ministries should step up the resolution of problems related to the extension in the 1986-1990 five-year period, of the cooperation and specialization conventions now under way, as well as operations to carry through further ventures in priority areas of the national economies of the two countries. The two sides examined the results scored so far by the central planning bodies in the coordination of the plans of the national economies of the two countries over 1986-1990 and recommended that activities be stepped up and finalized to meet to a greater extent the requirements of the two national economies for raw materials and energy resources, for products of machine building, the chemical and light industries and other fields.

Upon that basis, it was agreed that the foreign trade ministries should finalize negotiations as soon as possible and conclude an agreement on commercial exchanges between the two countries over 1986-1990. It was also set that the goods exchanges envisaged for this year be intensified, a commercial protocol signed and the conclusion of contracts on goods exchanges in 1986 stepped up.

The two sides reiterated their governments' wish to more actively develop economic and technical scientific collaboration on multiple planes, in the spirit of the decisions reached at the economic summit of CMEA countries.

COUNCIL OF STATE REPORTED TO PARDON 267 PERSONS

LD301954 Warsaw Domestic Service in Polish 1900 GMT 30 Oct 85

[Text] The Council of State has exercised its right of clemency in respect to 267 persons, in most cases as a conditional early release [from imprisonment]. Applying its right of clemency in this form, the Council of State has imposed upon the convicts an additional obligation in the form of financial payments for social goals.

The next item on the agenda of today's Council of State was the examination of a report on the activities of the General Prosecutor's Office as regards the amnesty procedure for the last three quarters of this year. Its activities were evaluated as positive, stressing that the correctness of the policy of pardoning [prisoners] is best proven by the [few] sporadic cases of recidivism of those who have been pardoned.

TKK URGES SUPPORT FOR 'POLITICAL PRISONERS WEEK'

AU301956 Paris AFP in English 1941 GMT 30 Oct 85

[Text] Warsaw, Oct 30 (AFP) -- TKK, the underground leadership of the banned Solidarity trade union, today called on Poles to give massive support to "political prisoners week," which begins on Sunday. It will be first such demonstration in support of the 363 prisoners held currently in Poland for their political views. TKK, in a statement released here, said that "the only offence of these political prisoners is their opposition to totalitarianism".

Meetings and special masses will be held through the week, and the organisers hope that union militants in the factories will organise investigations on behalf of the detainees' families.

It was reported yesterday in Poland that Prime Minister Wojciech Jaruzelski was studying the possible release of some of the detainees on humanitarian grounds.

An underground Solidarity newspaper, TYGODNIK MAZOWSZE, reported in its latest edition that one of the prisoners, Czeslaw Bielecki, 38, began a hunger strike recently. Mr. Bielecki, held at Rakowiecka jail since April 15, edited underground publications. He was protesting the prison authorities refusal to allow him visits by his seven and ten year old daughters.

URBAN REFUTES POLES' OPPOSITION TO SOCIALISM

LD310344 Warsaw PAP in English 1420 GMT 30 Oct 85

[Text] Warsaw, Oct. 30 -- Among topics referred to by the government press spokesman Jerzy Urban yesterday was also Poles' attitude to socialism, on which he had this to say:

"The recent polls carried out by the Public Opinion Polling Centre (CBOS) included 21 questions directly or indirectly relating to realities of the socio-political system in Poland. Replying to a question about their attitude towards the system of government, the socio-political system, 23.7 percent of adult Poles said that the system of government existing in Poland is good and needs no changes. 27 percent said that the system of government is basically good, considering its guidelines, although it would require certain changes, whereas only 5.7 percent considered it to be wrong and requiring a complete change."

"More or less the same percentage of opponents of the system emerges from other studies. For example, in another poll, 4.5 percent of respondents came out for a change of the system. In yet another poll, 5.5 percent of respondents opted for a change in government, understood as a change in the system, not in the cabinet. An even smaller percentage regarded those desires of theirs as particularly significant for the country's life -- that is, some of them would express such a desire, yet failing to consider it a crucial one."

"To compare, the most significant things for Poland included: getting people to better work [as received] and improving the work of offices and institutions. Those two factors were quoted by nearly 70 percent of respondents as the most significant for the country."

"Economic reforms as most significant for improving the situation in the country were quoted by 64.7 percent. The wording: 'A truly democratic society is (that existing) at a time of relative equality, when there are no very rich and very poor people' -- has been approved by 75 percent of Poland's adult population, the decisive disapproval being voiced by 7.2 percent and approval with reservations -- by 17.4 percent."

"Also other polls indicate that the whole discussion in Poland about the future, about what is good for the country and how it should be arranged, is based on a 90-percent approval for the system existing in Poland. For example, re-privatization of means of production is supported by some 2 percent of adult Poles. Anyway, a decisive majority has been displaying disinclination towards the private non-farming sector: The policy by the authorities in this field requires constant argumentation with an eye to obtaining an indispensable scope of social approval."

"All those various polls, carried out from various angles, indicate that absolutely untrue are suggestions of a considerable part of the Western press to the effect that Polish society is opposed to socialism."

POLITYKA ON NECESSARY POST-ELECTION ACTIONS

AU290501 Warsaw POLITYKA in Polish 12 Oct 85 pp 1, 6, 7

[Article by Jan Bijak, chief editor of POLITYKA: "Late Season for Hamlets"]

[Text] The present elections will in a way terminate a period that propaganda jargon calls normalization, which is a time of sorting out laws, carrying out extraordinary regulations, and setting in motion the damaged or worn out mechanisms of the state's machinery. I have used the term of "normalization," although I know that the general feeling is that we are still far from the normalization that we lived through at the beginning of the seventies and from the one we have created in our imagination, especially on the strength of the hopes and illusions predominant at the end of the summer of 1980 and perhaps earlier.

The time has come to ask questions about our future. We have to ask these questions so that the PZPR congress to be held in 1986 knows soon enough what answers it should give.

In a recent television discussion about the August accords, someone rejected the road to slow and gradual changes, saying that we need an inspiring and radical program because this is in line with our national temperament and with the world's economic challenge. This suggestion is attractive, but in my view, it is unrealistic. I do not believe in inspiring programs or in fascinating grand visions. In the coming years we will have to painstakingly make good our losses. The military call this the process of adjusting the front line. Improving our living standards will be merely a return to what has already existed, but such returns, however important and difficult, will not fire us with enthusiasm. The optimists estimate that meat rationing will be abolished at the beginning of the nineties. Nor do I expect that in the coming years we will experience a kind of general "let-us-love-each other" trend, new attractive offers in the field of democratic institutions, and a spectacular expansion of the areas of action for the people who do not want to join the existing organizations, associations, and so on.

On the other hand, I think that in the coming years our people will be entitled to expect from the authorities or, under the guidance of these authorities to expect from themselves, at least two promises: that, although slowly, progress will be made without any retreats in the conditions of the individual citizens and the country; and that development trends will be more pronounced and will enable us to be certain where we are going.

We are still short of this certainty, and if this state of affairs persists we will find the going increasingly tough. In the past years a certain modicum of social apathy and private interest have proved to be of advantage even to the centers of power, because the authorities have sought to calm down emotions and to promote peace, while our political adversaries have yearned for disturbances. A large center of society, which was expectant and distrustful, but which was tired of unrest in the streets, strikes, and the hardships of martial law, has been naturally tending toward stabilization. It has come to terms with the authorities on this score rather than deciding to give them support. Hence the vacillation of moods and restless excitement even in circumstances that should not give rise to such emotionalism.

This was the situation produced by that notorious restoration of butter rationing (few people remember this event), which had been announced in advance for a limited period of time. However, this situation was a disturbing hint that we were retreating and not proceeding toward better things and that therefore regress in other, more important areas, was possible. That is why reaction to some legal regulations such as the aggravation of penal proceedings or changes in higher education laws is so lively and has overspilled beyond communities directly concerned.

It goes without saying that by and large people are in favor of more severe punishment for the world of crime. However, the legal and opinion-making communities, which are so sensitive to the integrity of democratic institutions, are concerned over these severities.

Economic reform is an example of an important issue that gives rise to various views and to concern that the situation is bad. What is at stake is not due to inevitable weaknesses and limitations of the reform. What is at stake is the reform's image in public opinion. More and more people continue to get lost in the midst of contradictory evaluations and postulates. On the one hand, we have the need for changes in economic structures and, on the other, we have the efforts and pressure of various lobbies and pressure groups about which we can read and, what is worse, which we can see at work. Some continue to demand that wages should be greatly differentiated and some want wages to be leveled off. The best workers in the best enterprises are in favor of the first solution and all the rank-and-file clients of the PPR and poor workers in struggling enterprises are for the second solution, as are those who, although first-class workers, are condemned for objective reasons to work for wages that are greatly below average. It is said that research has shown that the two options are statistically balanced. However, the knowledge of this situation merely provides us with the orientation as to the scale of the problem and of its possible political implications. This is no subject for a referendum. It is necessary for us to clearly come out in favor of something. We must have clear criteria, which must allow for the social protection of the weak and for sanctions against the beasts of prey that exploit their market monopolies.

In the past few years, for the price of bruises and blows, we have been gaining knowledge of the true difficulties of our system. We now know that we have always inevitably had to pay for certain advantages with some afflications. We have no unemployment and we do not want any, but the price for this is that many workers neglect their work, that our productivity is low, and that workers move en masse from job to job. Our health services are free, but they are poor services, and we have to pay tributes to fill the pockets of the people in the white coats. The state keeps promising apartments for everyone, but we have to wait 15 or more years for this gift for which we pay and which is becoming an ever more remote reality. Millions and millions of people are able to afford ham radios and black-and-white television sets, except that the former is rationed and we have to stand in line to buy it, and the latter we have to buy on MM [expansion unknown] credit or on a coupon issued by the city. A certain concept of democracy makes it imperative that all professional, vocational, and social groups, as well as sexes and age groups, be represented in the Sejm and people's councils. This distribution of seats restricts democracy because the proportions of political talent and social temperament do not correspond to the planned breakdown of these seats. People continue to demand the bankruptcy of our economic potentials as if this were the supreme good and a measure of reform. The world at large continues to ponder on how to avoid bankruptcy, but in our country people continue to ponder on how to bring it about. However, when things come to a head, work forces, local authorities, industrial associations, ministries, and committees are against any action. In practice, everyone is against action. Everyone is for bankruptcy, but only in a general and abstract way. This is logical. Everyone knows about these dilemmas, and it is no use to play Hamlet and lament in this connection. The thing to do is to call a spade a spade and to make a choice:

-- If we do not want to experience unemployment and a whip, then we have to reward work productivity and quality with premiums so that people really find it profitable to work;

-- If we do not want to stand in line and plan our eating sessions in accordance with rationing cards and other coupons, we must go for the prices in the market that make allowances for production costs and for the supply-demand game;

-- If we do not want the enterprises producing the goods we need to end in bankruptcy, then plans to make such enterprises healthy must not result from bargaining at the top of the economic administration, changes in management must follow, cuts in offices must be made, the need for certain workers must be reviewed, and so on and so forth.

We must first have clear rules and clear criteria of the game, and then independence and self-management. Without this we will never have good work, initiative, and responsibility.

In the coming years we will have to deepen and enrich our experience in various ways, including theoretical thought, in the following fields:

-- the allied treaties, especially those with the USSR and the CEMA community;

-- the mechanisms of socialist democracy and institutions such as workers' self-management groups, trade unions, the system of the coalition cooperation between the party and allied parties, the Sejm, and the people's councils;

-- state-Catholic Church relations; and

-- the attitude toward the opposition.

I suppose that our capacity to align the national question with the socialist order, and patriotism with communism and with Poland's duties toward the socialist community is the key to our development. There are geographical and historical reasons for this in the area in which we are situated. People in our workers' movement have often asked: Should world revolution or our independence take place first? What will history evaluate as more important? The course of history has settled the issue. We regained our independence as a result of European events, which were enormously influenced by the Russian revolution. We again regained our independence as a result of the defeat of Germany by a coalition in which the Soviet Army played a decisive role. Today we are members of the socialist political and military community. Aside from ideological proximity, generally adopted rules are binding for this community, and it is neither in our interest nor in the interest of the community as a whole to defy these rules. Such alliances make it necessary to view them through our own eyes and through the eyes of our allies. Of importance is not only what we think, but also what they think. The symbol of Solidarity's great error was the fact that it produced that "message to the peoples of the East," which was supposed to convince our partners that Solidarity could be just as credible an ally as our party is. This message was bound to produce a contrary effect. It did, throwing a shadow not only on its authors, but also on the masses of Solidarity that were most negatively disposed to that arrogant gesture.

In such cases life demands clarity and candor from us. This is how we have to behave toward our allies and this is what state leaders owe to the people. Wojciech Jaruzelski's clear and determined position on this issue has produced respect. Poland's national interests are inseparably integrated with the interests of the USSR and the socialist community. This is not a visitation from providence, or a result of Yalta, or a special geopolitical cataclyism. First, this is a reason of state, at one time signally expressed by Cardinal Wyszynski, who said that it is impossible to lean against two opposing walls at the same time. Second, the USSR is our best economic partner. This was understood, however primitively, by Wokulski, [a hero of a 19th century novel], who was much more quick on the uptake in this regard than some of our economists in the opposition are. Third, the political community, the special connections between the countries with similar economic and social systems, and joint foreign policy that protects our basic common interests, are our links with the USSR and other socialist countries.

According to "Kremlinologists," the Soviet Union only exerts two categories of influence on the allied countries: a loosening up or liberalization of allied bonds, or, on the contrary, a stiffening of rigors and tighter controls. And yet this influence, which is real, appears different and is governed by other mechanisms. It consists of international relations and the Soviet Union's ability to halt the world arms race, its internal economic growth, and boldness in developing Marxist thought and seeking new solutions. From this point of view, very favorable changes are occurring there. The new leadership has speeded up development; it is still difficult to say how far-reaching the changes are, but they are visible. One can also already see the ingredients of a new style of leadership -- more open, critical, and more consistent. Everything indicates that cooperation between the socialist countries within the CEMA framework will grow. Perhaps this is the best chance for speeding up economic development in Poland as well.

I mentioned above the need to consider the activity of our democratic institutions. We know that democracy is not a gesture made by authorities nor a ready-made formula, but a process and further stage of development, and that we all have to learn it. The picture which emerges from behind these slogans is a long way from the hopes that were nurtured in the late seventies and early eighties, even though one could not have expected a clearer picture during martial law. We are certainly not even making use of all the formal possibilities that exist. It seems to me that progress has been achieved in interparty coalitional cooperation. The current PZPR leadership is concerned that these relations should have a new shape. It respects its partners, does not shut them out, and observes certain rules which were neglected by the party earlier.

The experience of many workers' self-management bodies is interesting. The evolution of the trade union also promises to be interesting. There is pressure on them from their members, and I emagine they have adopted certain patterns from Solidarity. This latter model is for many reasons not suitable for adoption, but it has certainly left behind a valuable awareness of the significance of a trade union movement, bold language that is so very far removed from the mannerly phrases of the Central Council of trade Unions [CRZZ] and certain mechanisms of coexistence which liberate workers' energy. One must also hand it to state authorities that they respect the new position of the trade unions and are open to concessions, which sometimes makes their line complicated. That was the case, for example, with this year's price rises, the date for introducing them, and their extent. It is worth adding, though I am afraid it might sound patronizing, that the trade unions have produced several interesting and colorful leaders. This is particularly important today inthe television age. It was not always noticed at other times.

In every Polish political crisis, clearer personalities have emerged on both sides of the conflict. The possibilities for presenting these personalities have also been present, such as citizens' tribunals, public rallies, and television talk shows in which there have been real clashes of views. There were no improper questions nor condescending answers. Now all this has died away and the all-powerful celebrities who spoke are back in favor. Today this whole process is more sluggish, but we are faced with an odd juxtaposition of facts. We have had excellent television programs on the election campaign. One week ago we watched a surprisingly open and informal report about the general's arrival at the airport following his New York trip (even with the unsuccessful attempt to sing "Sto lat" [the Polish equivalent of "For He's A Jolly Good Fellow"], which only served to highlight the authenticity of the situation), and Jerzy Urban has accustomed us to his unconventional conferences with foreign journalists. But side-by-side with this, how much pomp and circumstance there is, how much protocol, and how much mincing of words which mean nothing "on this or that topic."

Concerning the church and state, there has been no shortage of dramatic moments and violent occurrences in recent years. However, both sides have been able to emerge from them without endangering the basis of cooperation. This does not mean that there are no fluctuating temperatures and conflicts, which are inevitable. After all, we are in an unprecedented situation. Italy has had a different experience, Latin America had different experiences again, and the solutions adopted in other socialist countries with perhaps the exception of Hungary are of very limited value to us. The church has its interests, which include secular ones, and the authorities have theirs, which are only secular (which does not mean that they are only material interests). There is no shortage of common points around which the seeds of cooperation are cultivated.

There is a bit of inconsistency on both sides. The authorities advise the church not to play politics, although they would accept political activity from it if this activity were geared in a different way and expressed, for example, in support of election participation and voting for the best candidates on the PRON list. Our current writing is also warmly disposed toward the activity of cergymen in Nicaragua or other countries on that continent. For its part, the church says that its kingdom is not of this world, but evena parishioner with a weak knowledge of politics will perceive various aspects of activity by clergymen which he will identify with activity of the opposition.

I do not like it when Zygmunt Kaluzynski tells Catholics what the real teachings of Christ are. Catholics are better suited to do so, and I would be somewhat surprised if Bishop Tokarczuk were to ask me if I agree with Marx. Also, I was not left unperturbed by a remak by the government spokesman whereby, clearly pleased, he told foreign correspondents that last year's "sober August" operation ended with a defeat for the church. (A year later the spokesman did not repeat the same mistake). But neither can I easily swallow certain remarks by Andrzej Micewski, even though I include him among people of dialogue and believe that it is with people like him that one should build a future structure of state-church relations. Explaining the "church's prophetic and critical role," Micewski writes in TYGODNIK POWSZECHNY on 18 August, 1985: "While performing the above-mentioned function, the church nevertheless takes care that its pronouncements are strictly connected with its evangelical mission and that they are not used for the sake of any mundane and secular interests, nor by any political pressure groups." This formula sppeals to me and I understand how it explains the church's silence on the subject of the elections, but why is it that then I pass by a certain church in Zoliborz [in Warsaw] I see only banners with inscriptions which are clear evidence of a certain political pressure group and why do so many of this group's representatives appear in church not at all for the purpose of prayer? I understand how Catholic writing fights Marxism as an ideology that is contrary to Catholicism, undermines Marxism's philosophical basis, and still makes broad use of the church's "critical function," but why at the same time does it refuse Marxist writers in the government press the same right?

It is difficult to accept that the entire cultural heritage of Europe and Poland should be appropriated by only one factor, although it is a factor as great and important as Christianity. In TYGODNIK POWSZECHNY of 16 June Micewski writes: "The link between culture and religion is a fundamental one. Religion shapes culture, it provides culture with a direction in form of a completely comprehensive system of values. All European humanist systems grew out of the Christian idea of love, although some of these systems later became philosophical negations of religion. However, it was Christianity that introduced the principles of love, liberty, and jsutice into European culture." We have come a long way from the time when the church's contribution to our national culture was unjustly belittled, or completely dismissed. Nowadays that childish illness provokes an embarrassed blush, but I cannot imagine this illness recurring.

On the contrary, I believe that concern about the evolution of culture, the recovery and dissemination of every true value, are the very things which might constitute an important plane for dislogue, for reaching agreement, for finding our common descent, and that which would follow it -- the building of the future. This is why the opinion cited above is all the more disquieting. European culture did not begin with Christianity. Greece and Pagan Rome existed before Christianity. Christianity is fond of Plato, Marxists prefer Heraclitus; neither, however, renounce their descent. The evolution of European concepts of justice owes much to Christianity, but ancient Rome had evolved a legal system much earlier, and the idea of justice was developed much later by Marxism, which also profited from the Christian tradition. Culture evolves best through synthesis, through the assimilation of various values. Nowadays the world had become a much smaller place: In Europe people perform Eastern Zen and play African jazz. As we become familiar with the great cultures of other continents we take a more modest view of our own cultural heritage, and we become less and less inclined to be parochial in our outlook, that is to say, we are less inclined to close ourselves off within one current, cultural tradition, within one system of values however cohesive it may be. In any case, we want to be able to choose, to search, and also to select from other cultures that which might enrich our own.

Polemical debates in the press will continue to be inevitable in the future. Let us, however, take care that these debates fo not disturb the process of improving mutual relations between church and state; they ought rather to serve this process of improvement. We should also speak in a language that is not insulting to the subject under discussion. Unfortunately, this is not always the case -- and I do not have Micewski in mind.

Then there is the opposition: that extreme, avowedly antisocialist opposition, the underground, the publishers of illegal writings, and the authors and heroes of KONSPIRA. The meaning of the opposition in this sense is clear; we know whom we are talking about. But in general the notion of opposition is extremely imprecise, like the word center. Such labels are useful during times of tension and political confrontation, but then they become unreliable, and annoy more often than they clarify. The formula "people of the center," although ill-defined and saying little, has become fashionable. Those of the center describe themselves as occupying a position which lies between extremes, between the opposition and the so-called people of the concrete, hard, unthinking dogmatists. However, center understood in this way does not explain anything, because it encompasses both Passent and Micewski, and Dobraczynski, Urban, and Stomm. And they are certainly not the same ideologically.

What does opposition mean today? The opposition includes such openly hostile political opponents and Bujak from the underground, the imprisoned Michnik, a Kuron, who has been allowed to stay at home by a high court of appeals, and Walesa with his Nobel Laureate status. There are many people who quite sincerely cannot abide the system, but are prevented from voicing their antipathy, because of fear or apathy. And there are people who, while accepting the realities of the political system and respecting the Constitution, have their own vision of Poland's development, one that is different from the party's. Something in the nature of a parliamentary opposition on the Western model subjectively viewed this as a simple matter. What has to be done if these people are to become a powerful factor in the mechanism of the system, even if they cannot or do not want to be involved in various institutions of government?

One has to try to reach an understanding with them and this can be a mutually beneficial dialogue. Today he who participates in a dialogue need only recognize two principles: The first is the leading role of the party as a guarantor of Poland's socialist development. The second is that the PPR remains faithful to the political and military alliances to which it is a party.

He who does not want to accept these two principles today or in the foreseeable future has a choice of joining the opposition or seeking refuge in political passivity. Anyone who entertains thoughts of undermining these supreme principles along the road of dialogue, accord, and pressuring opinion, is mistaken.

What should we defend ourselves against most of all -- we, as a society, and the people exercising power?

First of all, we must defend ourselves against forgetting. Man is naturally inclined to carry on as before and to repeat the past. This leads to dusting off old concepts and duplicating methods. This manifests itself in various ways and is not a pecularity of only one group of people -- conservatives, men of stone or dogmatists. This last group forms ideology out of dogmas; other people slip into these habits unconsciously, through inertia. If no new ideas appear, if we do not ruthlessly combat reversions to what we have become accustomed to, then we risk the danger of another misfortune.

This is also why it is important to win over all those people who were active in "Solidarity," not because they opposed the authorities, but because they were attracted by the openness of the movement's search for new ideas. They did get their fingers burned to a certain extent, they learned a bitter lesson, but if they understood this lesson correctly and have not become embittered, then they can become the authorities' most valuable partners.

Second, we must protect ourselves against thinking: "There is no other way." There is a long list of things that have become so much a part of our socialist system that many people do not realize that these things can be changed without discarding the system: lines, indolence, nonconvertible currency; The gate to the world being almost closed, the constant danger of market problems; the specter of an old wage system; the poor quality of work and of goods; the inability to satisfy such basic needs as apartments for those who require them; the recurrence of arrogance on the part of bureaucrats and activists after every crisis; and the barriers which the bureaucracy imposes aganist people of ability who do not posses a membership card or do not bear the stamp of conformity.

Until these things are permanently changed, or at any rate until people in general realize that such things have nothing at all to do with socialism and are not an imminent and lasting feature of the system, then socialism will not win widespread support, and pathetic chatter will only harm it. Thus, concern for open and partnerlike language which serves truth and understanding cannot be a matter which only linguists and writers care about. We were fortunate to hear such language during the election campaign.

RATIONING OF SUGAR SALES TO BE LIFED 1 NOV

LD302012 Warsaw Domestic Service in Polish 1800 GMT 30 Oct 85

[Text] A statement announced on 2 March summing up the results of consultations on food price rises and limiting its sales rationing, forecast the possibility of lifting sugar rationing in the fall after an appropriate analysis and evaluation of this year's sugar campaign results. A recently conducted evaluation indicates that sugar production in the current campaign will not be lower than last year. In connection with this, the Council of Ministers has decided to lift the rationing of sugar sales as of 1 November this year. In accordance with a previously announced proposal, the office of prices has set the retail price of 1 kg of sugar at Z90. The prices of sugar, other than refined white sugar, have been set in appropriate ratios to the basic price.

In order to facilitate redemption of October sugar coupons at the current prices, the validity of these coupons has been extended through 5 November. Other coupons in ration books are valid until the end of October.

REPORTAGE ON VISIT BY GDR'S GERHARD SCHUERER

Talks Held With Ceausescu

AU301835 Bucharest AGERPRES in English 1759 GMT 30 Oct 85

[Text] Bucharest, AGERPRES 30/10/1985 -- On October 30, President Nicolae Ceausescu received Gerhard Schuerer, deputy chairman of the Council of Ministers, chairman of the State Planning Commission of the German Democratic Republic, now on a visit to Romania.

During the interview, the atmosphere of which was warm and friendly, stress was laid on the fine ties of friendship and collaboration established between the two parties and countries. The need was brought to the fore to further work for the achievement of the targets contained in the long-term programmes for the development of economic and technical-scientific collaboration, production of specialization and cooperation in production over the next five-year period and in the long range, for the expansion of commercial exchanges between Romania and the German Democratic Republic.

Aspects of the international life were also approached, with emphasis placed on the fact that, under the current extremely complex circumstances, everything ought to be done to ensure peace, security and understanding among all world nations. The interview occasioned an exchange of messages of salute between Presidents Nicolae Ceausescu and Erich Honecker.

Attending were Stefan Birlea, State Planning Committee chairman, Ion Ceausescu, first deputy chairman, minister secretary of state at the State Planning Committee. Rudolf Heinze, first deputy chairman of the State Planning Commission of the GDR, Herbert Plaschke that country's ambassador in Bucharest, were present.

Protocol Signed

AU302035 Bucharest AGERPRES in English 1815 GMT 30 Oct 85

[Text] Bucharest, AGERPRES 30/10/1985 -- Talks were conducted in Bucharest on October 30 between the delegations of the central planning bodies in Romania and the GDR, led by Stefan Birlea, chairman of the State Planning Committee, and Gerhard Schuerer, deputy chairman of the Council of Ministers of the GDR, chairman of the State Planning Commission.

An analysis was made of the current stage of bilateral economic relations, ways to boost the two countries' economic and technical-scientific collaboration, production specialization and cooperation in production, central planning bodies cooperation. At the end of talks, the chief delegates signed a protocol on the two countries' economic plan coordination over 1986-1990.

Cooperation Emphasis

LD302155 East Berlin ADN International Service in German 1636 GMT 30 Oct 85

[Text] Bucharest, 30 Oct (ADN) -- The GDR and Romania have coordinated their economic plans for the period 1986 to 1990. A corresponding protocol was signed in Bucharest on Wednesday, 30 October, by Gerhard Schuerer, candidate member of the SED Central Committee Politburo, GDR vice premier, and chairman of the State Planning Commission, and Stefan Birlea, candidate member of the RCP Central Committee Political Executive Committee and chairman of the Romanian State Planning Committee.

The main emphasis of the scientific-technical cooperation is the accelerated development and application of microelectronics and robotics. Agreement was reached on continuing mutual deliveries of raw materials. The GDR will export potash fertilizer, polyurethane, and pesticides, while Romania will export polypropylene, chlorine, gasoline, coke, and polyisoprene caoutchouc. Romania will import from the GDR chemical pulp and paper industry products, optical fiber transmission systems, mining equipment, agricultural, machine tool and textile machinery, road vehicles, and components for color television sets. The GDR is to import clamping plates, building material and construction machinery, drilling and metalurgical equipment, machine tool-, textile-, and wood-working machinery, road and rail vehicles, furniture, fruit, vegetables, canned food, and wine.

The long-term 1986 to 1990 trade agreement is to be worked out and commercial contracts are to be concluded on the basis of the signed protocol.

SCINTEIA ON DISARMAMENT, MILITARY SPENDING CUTS

AU301146 Bucharest AGERPRES in English 1046 GMT 30 Oct 85

["Disarmament, Reduction of Military Expenditures -- Decisive Prerequisites for the Development of All States, for the Settlement of Acute Social Problems" -- AGERPRES headline]

[Text] Bucharest AGERPRES 30/10/1985 — In its article published on October 30 under the above headline, which inaugurates a thematic series on matters of disarmament and reduction of military expenditures, the daily SCINTEIA writes among other things:

Starting from the grave and complex situation existing on an international plane, that makes the current situation be viewed as a crossroads in the destiny of mankind, Socialist Romania attaches exceptional importance to halting the arms race, cutting the military spending and implementing disarmament, the nuclear one in the first place, considering -- through the highly authoritative voice of President Nicolae Ceausescu -- that safeguarding peace is the fundamental issue of our epoch.

We can learn with satisfaction this stance is widely shared by the so ample and diverse world forces of peace. Within these forces a particularly important role is incumbent on the socialist countries that are called to make an example and stand in the vanguard in safeguarding peace and the vital interests of the peoples. In this respect the fact deserves mention that the declaration recently endorsed by the meeting of the Consultative Political Committee of the states participant in the Warsaw Treaty spoke up firmly for a removal of the nuclear danger, a halt in the arms escalation and for a development of relations in the spirit of peaceful coexistence and detente.

The passage to disarmament and cutting the military budgets would have ample and multiple positive consequences, would provide the conditions needed for a real exertion of the peoples' vital, fundamental rights.

Socialist Romania stressed repeatedly that all states -- absolutely all states, irrespective of system, development level, size or geographic position -- would benefit from the endorsement of concrete measures in this sense, from the starting of programmes of socio-economic development, of eradication of unemployment, underdevelopment and world's division into rich and poor countries, instead of starting arming programmes. The steady and substantive cutting down of the arms and military expenditures would release huge financial, human, scientific means that could be used for raising the peoples' material and spiritual welfare. As pointed out by the party's general secretary, president of the Republic, it is only such programmes and initiatives that are in the interest of peoples, that serve them and mankind.

Such measures would bear beneficial consequences on all aspects and facets of the world socio-political and economic life:

-- Would substantively contribute to speeding up the development and progress of all countries;
-- would release huge funds for the eradication of underdevelopment and the filling of inter-state gaps;
-- would decisively contribute to the curtailment of unemployment worldwide;
-- would play an essential role in eradicating the famine that plays havoc on large regions of the world;
-- would allow for the deployment of the needed efforts to eradicate the illiteracy;
-- would allow for the beginning of comprehensive campaigns to control the epidemics and secure proper sanitary conditions for all inhabitants of the planet;
-- would considerably facilitate the removal of the consequences of the economic crisis and the improvement of the world economy;
-- would entail positive consequences for the world political climate through enhancing interstate confidence and stimulating detente;
-- would allow for the accomplishment of vast world scientific projects in the service of the flourishing of the world civilization;
-- would lessen the risk of war, would account for a decisive step toward the elimination of the serious dangers threatening mankind.

NICU CEAUSESCU, TOTU MEET COSTA RICAN MINISTER

AU251759 Bucharest AGERPRES in English 1719 GMT 25 Oct 85

[Text] Bucharest, AGERPRES 25/10/1985 -- On October 25 Nicu Ceausescu, alternate member of the Executive Political Committee of the Central Committee of the RCP, first secretary of the CC of the UCY [Union of Communist Youth], minister of youth affairs, met Hernan Gonzalez Gutierez, minister of culture, youth and sports of Costa Rica, now visiting Romania at the invitation of the CC of the UCY.

During the interview the sides exchanged at length views and information on the current preoccupations of the youth in Romania and Costa Rica, on marking the International Youth Year in the two countries, under the slogan "Participation, development, peace".

During the visit, Hernan Gonzalez Gutierez called on Ioan Totu, deputy prime minister of Romania.

The sides approached problems related to the role incumbent on the young generation in view of making a world of international understanding and collaboration, pointing out the need for the youth everywhere to join efforts in promoting their right to peace and security.

NEW MINES SYSTEMS IMPLEMENTED IN COAL INDUSTRY

AU301837 Bucharest AGERPRES in English 1649 GMT 30 Oct 85

[Text] Bucharest, AGERPRES 30/10/1985 -- Three new mines have come on stream at Motru-Vest and Lupoaia in Gorj County, equipped with complex support, cutting and transport plant; their daily lignite output is in the 2,500-3,000-ton bracket.

As a matter of fact, new strip mining and waste dumping technological lines have been put into operation in the Motru, Jilt and Rovinari coal fields, several of which use longwall working - a system that is being widely used at present in a series of Romanian coal mining units, owing to the fact that it boosts the index of coal recovery from deposits. New bituminous coal extraction units have been opened in the Jiu Valley, operating high-cutting (up to 4.5 m) mechanized plant; thin-bed coal mining has also turned mechanized, using "dwarf-type" equipment. This type of equipment is now manufactured in Romania, allowing of deposits that had been once discarded as unrecoverable to be now turned to good account.

Significant measures were implemented aimed at boosting lignite production by raising equipment-utilization indices and expanding integrated-type mechanization through the operation of high-yield multi-bucket excavators and conveyor belts. Similarly, strip mining and sterile dumping output has also increased, and waste is now being directly dumped inside the mine -- a technology that accounts for substantial transport savings.

PREMIER DASCALESCU LEAVES FOR POLAND

AU301113 Bucharest Domestic Service in Romanian 1100 GMT 30 Oct 85

[Text] Comrade Constantin Dascalescu, prime minister of the Government of the SR of Romania, this morning left for the Polish People's Republic on a working visit at the invitation of the Polish Government.

POLITICAL COMMITTEE ENDORSES SHIP-BUILDING PLAN

AU311131 Bucharest AGERPRES in English 0948 GMT 31 Oct 85

[Text] Bucharest AGERPRES 31/10/1985 -- The Executive Political Committee of the RCP endorsed on October 5 a special programme forthe development of Romanian naval constructions in 1986-1990. The programme stipulates among other things the modernization and diversification of the naval production, so that in the next five years the capacity of the Romanian sea-going merchant fleet should grow almost twice. The river fleet too, will grow, reaching a volume of goods transportation by 1.9 times bigger in 1990 than at present. Naval constructions will be chiefly directed toward the assimilation and manufacturing of very complex ships meant for specialized transportation, concomitantly with the updating of the types of general cargo carriers,

The current naval programme is not a novelty. As early as the early '70s Romania started developing the ship-building and a merchant fleet of its own. Benefitting from important investment funds, the Romanian shipyards have powerfully developed in this period. In the last 15 years the shipyards were rebuilt and modernized at Constanta, Galati, Braila, Drobeta-Turnu Severin, Oltenita, Giurgiu, and new shipyards were built at Tulcea and Mangalia. The development and modernization of the shipyards provided prerequisites for the increase and diversification of the ship production. In the 1981-1985 five-year period it has grown 4.2 times as compared with 1971-1975. An important part of this five-year period's production was delivered to the Romanian merchant fleet: 74 ships of various types with a tonnage of almost 2.4 million dwt. At present, the capacity of the Romanian maritime fleet is 4.9 million dwt.

Concomitantly with the achievements in the equipment of the fleet with maritime ships, the fleet of river and technical ships also grew in the last five years, by 339 units. Special care was paid to the diversification of the production and specialization of the shipyards. Constanta builds 150,000 dwt oil tankers and 65,000 dwt ore-carriers, the Galati shipyard -- 55,000 dwt ore-carriers, 65,000 dwt oil-tankers, cargo vessels and roll on-roll off ships, refrigerating ships, Braila builds trawlers and cargo vessels of various types and Mangalia -- 55,000-65,000 dwt ore-carriers and oil tankers of 30,000 and 80,000 dwt. The Danubian shipyards build small- and medium- tonnage vessels, pusher boats and river vessels; Tulcea -- cargo boats of up to 15,000 dwt; Drobeta-Turnu Severin -- oil-tankers of up to 7,000 dwt and river cargo vessels; and Oltenita -- passenger ships.

At present, new types of ships are under construction or design: oil tankers of 5,000, 10,000, 35,000 and 85,000 dwt, the bulk-carrier of 165,000 dwt (the biggest Romanian ship when ready), cruise passenger vessels, etc.

TANJUG NOTES REAGAN COMMENTS ON UPCOMING SUMMIT

LD302013 Belgrade TANJUG in English 1902 GMT 30 Oct 85

[Text] Washington, Oct 30 (TANJUG) -- U.S. President Ronald Reagan said today his coming talks with Soviet leader Mikhail Gorbachev in Geneva would be serious and that the meeting would not be a stage for the superpowers' mutual recriminations.

In an interview with the British Broadcasting Corporation (BBC), Reagan said the preparations for the Geneva talks were good. In order to avoid the raising of questions for which the conferees are not prepared, Reagan will send Secretary of State Shultz to Moscow to fix the agenda of the summit.

Reagan said the stockpiling of nuclear weapons was the result and not the cause of superpower tensions. He said that a lessening of the present distrust would make the launching of a disarmament process easier.

LCY CENTRAL COMMITTEE PLENUM SESSION HELD

LD302313 Belgrade TANJUG in English 1732 GMT 30 Oct 85

[Text] Belgrade, October 30 (TANJUG) -- Rising unemployment, falling standard of living, and growing social stratification in Yugoslavia were the subjects discussed by the Central Committee of the League of Communists of Yugoslavia at its session here today. Many speakers in the debate thought that the League of Communists should deal more with employment and the social welfare policy, while taking concrete measures in all social environments.

"The task of settling the unemployment problem concerns the whole of Yugoslavia" and is part of its economic stabilization programme, pointed out one of the speakers. Another called attention to the need for more extensive application of the programme, which was adopted already in 1982 and which has since been meeting with opposition from bureaucratic circles at home.

The number of unemployed, mostly young and educated Yugoslavs, now is about one million. Speakers stressed the problem as being of primary importance and said that its settlement would be conducive to a more favourable feeling among the population.

Members of the Central Committee -- the highest party body in the period between two congresses -- also mentioned other manifestations causing dissatisfaction among the population, such as the failure to abide by social compacts, nonimplementation of court sentences, bribery and corruption. "The League of Communists must finally achieve a situation in which the idlers will be prevented from retaining and abusing their work places," said a Central Committee member.

One of the speakers dealt with the increasingly difficult condition of some sections of society, emphasizing the need for stopping increases in the prices of essential food articles directly affecting standards of living of the broadest sections of the population. "Manifestations of enrichment without work, evident in a section of society, must be put an end to by an adequate taxation policy, because those getting rich without work are tending to obtain political power along with wealth," he said.

Yugoslavia recorded a 73-per-cent inflation in the first nine months of this year.

The League of Communists of Yugoslavia should launch an even more resolute struggle for remuneration according to work and against the leveling of income, which is a cause of insufficient rise in productivity, speakers stated. They also emphasized the need for a larger-scale utilization of existing economic potentials and called for a gradual shortening of work hours and increase in the number of shifts in industry, so as to achieve the highest possible productivity with the existing means of production.

Over the past nine months of 1985, productivity increased by 2 per cent, or twice as much as planned for this year.

Bogdanov Address

LD310057 Belgrade TANJUG Domestic Service in Serbo-Croatian 0501 GMT 30 Oct 85

["Dusan Bodganov's Introductory Address at the Session of the LCY Central Committee" -- TANJUG headline]

[Text] Belgrade, 30 Oct (TANJUG) -- The LCY Central Committee is discussing today two very important social problems in order to analyze more closely the implementation of the LC's ideolopolitical stands connected with the implementation of the orientations implicit in the long-term economic stabilization program. Today we shall have a debate and lay down the stands on the current ideopolitical questions of the implementation of the job creation policy and of social policy.

The material prepared for the session today shows that the results attained in these areas have not yet produced the expected results. On the contrary, the difficulties in securing material and social security for our working people and citizens are increasing. In this context we have been particularly hit by the continued rise in unemployment, decline in living standards of an increasingly large section of the working class and of the population, slow implementation of the principle that everyone can live better if he works better, and by the growing difficulties regarding the solution of the housing needs of the workers and others.

From the sum total of the material and from the wealth of the information we have, there arises the unequivocal conclusion: The problems have been exacerbated to such an extent that if they worsen and even if they persist for any length of time, it could jeopardize the basic production relationship with socialist self-management. This could have unforeseen negative consequences for our overall social development.

This conclusion is also the starting point for the draft positions of the LCY Central Committee on the topical ideopolitical questions of the implementation of the policy of job creation and of social policy.

There are several reasons why at this point the Central Committee must discuss job creation, social policy and social development as a whole and produce unified ideopolitical stands:

First, we have to assess the extent to which, in the implementation of the social policy, we ensure class interests and carry out class policy not only in terms of their content but also in terms of the protagonists of decisionmaking, and of objectives and mechanism. We must establish the extent to which in formulating and implementing social policy we are in fact proceeding from the principle that work and results of work are the basic criteria for the material and social status of every individual, and to what extent these criteria have an impact on the economic and social progress of our society.

We have to assess how and to what extent the principle of socialist togetherness and solidarity is implemented within the context of our socialist self-management. I do bear in mind, though, the fact that to strengthen socialist security is not tantamount to security for those who in the process of work and decisionmaking proffer idleness, waste, irresponsibility and inefficient use of social resources, that is to say those things which directly run counter to workers' class solidarity and togetherness.

Second, it is a known fact that our working class and all working people have accepted and render full support for the basic objectives and tasks stemming from the long-term program of economic stabilization. It is a known fact that in so doing they asked for the burden of economic stabilization to be distributed as evenly as possible. However, it is also a known fact that the heaviest burden is borne by the workers, pensioners, and those categories of the population who live exclusively from personal income and resources earned by working. True, the workers and the working people knew that the exacerbation of the struggle for stabilization will bring about a temporary drop in real wages and in overall living standards compared with that of the preceding period. However, the long-term program did not visualize, and in some respects did not even remotely foresee, the extent of these problems; that is, to what extent living standards will decline, and what social changes will occur in our society.

It can be said now that the extent of the decline in living standards is considerably greater than expected. The Central Committee is today discussing this topic to ensure that these processes do not continue this discouraging trend and to see what the realistic possibilities are in order to arrest a decline in living standards and in personal income and pensions.

Third, because of incomplete and inefficient regulations and measures concerning our system, and because of our inadequate activity to reaffirm more strongly work and the results of work so that this basic concept may acquire appropriate material and social recognition, we are facing manifestations of destratification in our society. In many instances we have displayed our powerlessness when facing phenomena of acquisition of wealth without reference to work, of assorted illicit actions, abuse of social property, circumvention and dodging of existing regulations and of social accords and self-management agreements, of turning a deaf ear to social commitments, especially tax commitments, and others.

These three reasons, in my view, make it clear that we cannot encapsulate social policy into the framework of conventional social security and of social policy within the narrow meaning of the word. What we are talking about is overall social development and production relationships which impart its features to all relations in our society.

The present delays in taking note of this process, the opportunism and red tape in taking efficient measures, and insensitivity to the needs and problems of the workers and the working people -- all these factors open and keep enlarging the breach in which undesired elements opposing the established social and economic development are developing in our society. If we do not organize and more quickly and more resolutely adopt efficient measures to prevent all kinds of behavior and processes that do not fit into our socialist production relations, the self-management development of our society itself could be jeopardized. This is why we must make an assessment as to the extent and location of individual manifestations outside this development that bring pressure to bear on our basic orientation, so that without hesitation, waiting and vacillation we can start actions for the implementation of the accepted objectives and tasks inherent in the stabilization program.

While not wishing to explain the proposed draft LCY Central Committee positions and provide an assessment of the problems and of the way to resolve them, because this is a matter for discussion and for the conclusions of the Central Committee, I would nevertheless like to set out some starting points and orientations implicit in these positions.

We are proceeding from a critical assessment of the results we have attained and from the assessment that the long-term stabilization program in this area is not being implemented primarily because in practice we have not yet established the production relations laid down by our constitution, and because the workers do not decide about social reproduction resources. The message and the substance of these positions is that the LC and our society as a whole must seek and find the solutions to these problems on the basis of the further development of socialist self-management. In the discussions in connection with the draft conclusions of the 13th Central Committee session the workers, criticizing the slow solution of social problems, resolutely demanded that all our orientations be toward strengthening the self-management status of the working class in associated labor and in our society. However, a consistent implementation of the constitutional concept of associated labor and the process of self-management association and cooperation among the workers throughout the Yugoslav economic area are resisted by interests operating from positions of group-ownership, techno-bureaucratic protagonists of isolation, and of preservation of monopoly and privileged positions. But there can be no decisive changes in the development of our economy and society without mergers and associations along self-management lines. It is the process of association and of mergers on a permanent basis that indicates the right way to attain greater business efficiency and higher productivity, greater production and high exports. In so doing, we establish the right and the only foundations and frameworks for the solution of the problem of unemployment and for halting the fall in the workers' living standards and of unfavorable tendencies in our social development in general.

Viewed as a whole, we have not consistently developed and made use of those stipulations in the law on associated labor which provide economic and self-management advantages of the income system through joint acquisition of revenue on the basis of the pooling of the labor and resources. By self-managing association in broader terms, we will achieve better interdependent production and distribution and the removal of disproportion in the chain of production, and improved utilization of the production capacities of human and natural potentials. The aim is to make maximum use of these potentials: so that machines should work longer and more productively, and the work of workers should be shorter, more effective, more fruitful, and more humane. Experiences gained in practice unequivocally confirm that association on income bases contributes to the more rational utilization of the resources for production, more rapid employment, resolving supplies of raw materials and semi-manufactures, and more organized and uniform coordination of development and representation on the domestic and, in particular, the foreign market. This is particularly important also for the self-managing organization of the conditions of economic activity, and is thus an essential element in consolidating the self-managing positions of workers.

We in the LC have the commitment to identify the real reasons that hamper a faster process of associating labor and resources and associated labor links throughout the Yugoslav economic area. The ideopolitical responsibility of everyone, and especially of LC members in associated labor, in executive organs of sociopolitical communities, in the delegate system, and also in sociopolitical organizations, must be intensified on this particular point. It is crucial for us that in daily practice they should rely on authentic and unified interests of the working class, and that they should not be guided by temporary and partial interests, losing sight of the long-term interests of the process of association.

In the draft positions there is insistence on the pooling of labor and resources, because this means a considerable broadening of the possibilities for productive employment and the realization of the self-managing social policy. This is particularly important now, when we are establishing and adopting the plans for the coming medium-term period, in order to guarantee the consistent implementation of the positions and directions of the long-term economic stabilization program in interrelationship with material and social development.

In the LCY Central Committee draft positions, great importance was attached to the problem of nonimplementation of the job creation policy. The directions of LCY activity in the solution of this question were laid down, and the opportunities and reserves available in our society were noted. In preparing the draft of ideopolitical positions on the job creation policy and on enhanced productive job creation, the LCY Central Committee Presidium had in view the following directions of action:

First, the LC must set in motion a very resolute employment action especially because it concerns a great number of young and specialist trained cadres. The reasons are diverse: economic, social and political, especially when one knows that in our future development we will emphatically embark on the practice of relying on our own resources. The unemployed today include a section of the population most capable of working in whose education our society has invested enormous resources. Young people account for more than 75 percent of the unemployed up to the age of 30, but the young people with professional skills account for more than 50 percent.

Second, the fact that individual organizations of associated labor are shunning the employment of young people and those who have professional skills "in order to preserve their labor productivity" is unacceptable for the LC. In our socialist self-management society and at this stage of our material development, realistic conditions are at hand both for faster growth of labor productivity and for intensified employment and job creation. Our reserves are in reducing the working time of the workers on the one hand and in lengthening the time the machines are operating on the other. What happens is that in an attempt to increase labor productivity not all the reserves available to us have been utilized: better social organization and distribution of labor; greater use of skills and of scientific and research work; better and more rational use of equipment and raw materials; in other words, better internal organization of work in basic organizations of associated labor, more stimulative distribution of income, and so forth. The very fact that among the young people looking for employment the majority have higher professional skills and education testifies to a major reserve for escalating labor productivity and income increases. On that basis, this means a faster way out of the economic difficulties which we are facing.

Third, it will be seen from the material that it is an undeniable fact that in the past 10 years, even in the years with pronounced economic difficulties, we had a high rate of employment, which was not always a rational thing to have. For this reason our orientation must be to obtain a higher rate of productive employment, because that would create a considerably higher rate of production and of revenue. This in turn would create the conditions for new vacancies and a chance to resolve this problem on a more permanent basis. This is unequivocally testified to by the experience of the developed countries and also by experience in many successful work organizations in our country.

It is not true that we, though quite rightly, point out only the problem of insufficient utilization of capacities. However, insufficient and irrational utilization of available human factors is either easily overlooked or very little criticized.

A great deal has been invested in these unemployed, qualified and highly qualified workers, young people with diplomas and degrees. And if they were in the place where they should be they would make their contribution toward achieving good effects in work and business activity: from preparing expert solutions in production, in investments and development, in conducting business policy, in applying modern work organization up to involvement in self-management. And not only this. Including such young and expert potential would enable better utilization of capacities within shifts, an increased number of shifts, and continuous work where it is demanded and made possible by technology. In a word, all this would contribute to efforts toward achieving greater productivity and effectiveness of the economy and speedier overcoming of economic difficulties.

Fourth, it is of particular significance that the LC should demand and conduct actions for a speedier development of small businesses and agriculture in social and private sectors with more determination, since this creates additional possibilities for higher employment. With this objective in view, it is necessary to change the sectarian attitude toward small businesses. It is particularly significant to create conditions for the development of small work-intensive factory sections in the social sector; contractual organizations of associated labor, various forms of cooperatives, and test work organizations should give to small businesses small assembly-line production, additional assortments, and develop cooperation between the private and social sectors.

With a high rate of inflation it is difficult to conduct rational social policy and social protection. We can freely say that such a high rate of inflation is the strongest instigator of our negative social changes. When there is a high inflation rate some of the instruments of our economic system also act negatively. In the material itself it is pointed out that apart from having a negative effect on the standard of living, inflation also has an effect upon the following:

-- The decline of national income; an uncontrolled redistribution of national income;
-- Decrease in value of export goods; the economy is failing to keep foreign exchange in the country;
-- The flight of assets from associated labor into private hands, private clearing and foreign exchange speculations, and so forth.

The conclusions of the 17th LCY Central Committee session in connection with a discussion on the implementation of the anti-inflationary program justifiably insisted on the elimination of causes which had a long-term effect on the stability of our economy. These causes include the problems from the production structure, rationalization of production in its entirety, division of labor, integration, the activity of the market and the realization of a united market in Yugoslavia, and so forth. The conclusions also contain an obligation to carry out an analysis of the impact of the measures of economic policy, the system and their effectiveness. But, as to specific tasks and programs, it is necessary to stress the LC positions on an obligation to implement more consistently earlier conclusions on the conversion of short-term into long-term loans (working capital), free the economy from debts and reschedule loans -- both domestic and foreign -- then, the application of differentiated interest. The linear application of interests prevents society from conducting an economic policy of stimulating development of those branches and activities that are necessary and crucial for our development and have a long cycle of production and reproduction. If prices were to jump suddenly because of high interest rates, this would have a negative impact on both reproduction and society as a whole, as well as on the living standard.

There were more specific conclusions with respect to tasks for immediate action in curbing the rate of inflation, and they are being implemented very slowly, even after that session. This tardiness causes tardiness in other sections of our system.

Because of all this, in the LCY Central Committee standpoints the main and fundamental question being raised as the basis for conducting a rational policy of social development, social policy and social protection is the curbing of the rate of inflation.

The main direction of social security and the strengthening of workers' self-management position is that they should ensure through their work a stable growth of living standards. The drop in real personal incomes of workers and pensioners over a period of several years widens a circle of citizens whose living standards must be protected through various number of families with low incomes. But this is not a proper and lasting solution. Workers do not want it either. They are asking to acquire higher income and thus protect their own living standards precisely through work, greater results and greater contribution. This is the meaning of the principle that work and work results determine the material, social and entire position of people on the basis of equal rights and responsibilities, strengthen the material and social security of workers on the bases of the increase in production and exports, and realize higher productivity and income. We must eliminate with determination and without hesitation social differences and accumulation of wealth which are not based on work and work results.

So it is necessary to stress again that the essential path to a higher standard in speedier and more rational development, better work and higher work results, is in the workers' taking control of their entire income, coordinating the division of income on self-management terms, directing social trends and taking control of extended reproduction.

One of the prerequisites for a consistent implementation of a division of income according to work and work results is that Communists in delegate assemblies and other bodies should support the adoption of all systemic solutions and measures of economic policy that will ensure more equitable conditions of business activity and acquiring of income. If this were not done, then all efforts that are being made in society, through individual distribution a more equitable distribution according to work and work results is also ensured, would not yield the desired results. Because the presently achieved volume of income, better to say, "inflationary income," frequently achieved through advantages in a system, cannot ensure the protection of the real personal income, the protection of living standards, and even less can it offer a better future.

If work and worker's personal income are made worthless, this produces a variety of negative effects. It is negatively reflected in the motivation for work and self-management, and it compels workers to seek a way out in moonlighting and incomes outside their organization of associated labor. Therefore, as an objective and task, we set a consistent application of the principle of distribution according to work and work results, higher motivation for increasing work productivity, and on these bases the increase of income as well as better and more adequate evaluation of production work, work in difficult conditions, inventive work and creative work.

Social policy, in particular its protective function, in itself contains an essential principle of togetherness and solidarity. This primarily refers to help for low-income familes in order to protect their living standard. It is a matter of using assets from common funds for subsidies and help with fuel, food for winter, communal feeding of workers, transportation for workers, holidays, and help with purchasing school textbooks and school supplies.

For us, social protection is also another name for human socialist solidarity with those members of society that cannot maintain their living standard from work and have no other sources of income. Because of the very pronounced increase in the cost of living, the LCY Central Committee positions insist on conducting actions in an organized manner on a consistent application of the measures for protecting the living standard of the population whose living standard is most under threat. This primarily includes pensioners who receive protective supplements, veterans with low incomes, people who receive child supplements, school and university students from low-income families, recipients of social and other benefits, recipients of unemployment benefit, and so forth. Communists should become involved in and demand from appropriate organs and institutions that necessary funds are provided for these needs, and that the growth of these funds is in accordance with the growth of nominal personal incomes.

In providing for common needs such as health care, education, social care for children, pension and disability funds and so forth, it is necessary to implement consistently the principle of social solidarity and togetherness, and in this to apply a selective policy. The positions clearly express a demand that in social activities it is necessary to rationalize the network of numerous institutions, capacities, and the overall work, including also the transformation and abolition of those institutions and organizations for which there is neither social need nor a possibility of ensuring funds for their activity. Communists are obliged to take an intense and creative part in the activities of labor distribution and work specialization, and the improvement of quality, effectiveness and rationality in all social activities. The adoption of medium-term development plans is an opportunity for Communists to adopt a responsible attitude toward these positions and to ensure their implementation. This will be a contribution toward overcoming one-sided seeking of solutions in restricting funds for the needs of social activities, which has a twofold negative effect: both on low personal incomes of the employees in these activities and on adding further pressure to the already highly overburdened organizations of associated labor in the economy.

A problem, which at this moment deserves particular attention, at a time when in the Central Committee we are developing ideopolitical positions, is a deeper and wider social stratification in our society. That is, parallel with the lack of effectiveness in better affirming work and work results and giving work adequate material and social recognition, we are faced with the phenomenon of accumulation of wealth without work, through various illegal means and abuses of social property, through evading regulations, and so forth. This has become widespread. And the accumulation of wealth is possible not only through evading regulations in practice, but also because some solutions are not appropriate to the newly-formed processes in our society, for example, solutions in tax policy and so forth.

In this connection I would like to make several remarks. There is a question of who bears the burden of stabilization, and whether this burden is equally distributed to all social strata. This has been raised by workers almost from the first day of implementing the long-term economic stabilization program. That is, does everyone bear the burden of stabilization in accordance with the attitudes and decisions of congresses and the positions of the LCY Central Committee from the 13th, 16th and 17th sessions?

Incomes outside regular jobs are becoming increasingly substantial, while the participation of net personal incomes in the total amount of the population's financial assets are decreasing.

We are faced with cases and behavior of inadequate tax policy, evading tax obligations, concealing incomes, various aspects of embezzlement, transfer of social property into private hands through various connections with individuals or groups in the social sector, with abuses and embezzlement in the area of housing, and so forth. The measures undertaken to date, including the tax policy, have not succeeded in preventing a particular aspect of high accumulation of wealth, the activities of middlemen, various brokers in trading with commodities, and so forth. This was also brought about by ineffective and inconsistent application of sanctions, vague systematic solutions and measures, inappropriate cadre composition, bad organization, insufficient independence, lack of responsibility on the part of certain tax services and other organs.

The taxation system and policy have not managed to ensure their economic and social function. For all practical purposes the taxation policy is mainly channeled into the personal income of the workers and the revenue of organizations of associated labor instead of being directed more to imposing a tax on all sources of income not stemming from work or based on work. Social differences and stratification in our society today mainly occur from this reason.

The workers rightly criticize various negative things and great privileges in our housing policy. They point out unlawful actions in the use of housing and other credits, use of several socially owned apartments, acquisition of wealth on the basis of trade in housing property, underhanded dealings involving socially owned accommodation, high income from letting out accommodation, nonpayment of taxes on income from that particular source, and so forth.

The workers are dissatisfied mainly because it is difficult to live by working; that is, by earning personal income in associated labor, while before the very eyes of the workers wealth is acquired easily without working and through speculation, and society is stratified. In this aggravated situation and against a backdrop of the workers' viewpoint of these processes, it is easy for various theories to sprout, which must not be our approach to the development of the system, or indeed a realistic way to get out of the difficulties. For example, we must not encourage a leveling-out process, the theory about social justice based on poverty, recommendations that laws not be obeyed, that things be done "in a summary fashion," dispossession, cutting the corners, and so forth. Of course, there are theories which on behalf of economic laws deny the state and our society the right to pursue a policy of social and economic development, leaving it all to a haphazard and spontaneous operation of the economic mechanism, although it can be seen that their impact results in negative consequences. Regarding acquisition of wealth without reference to work and regarding social stratification we have the least information and the greatest reaction.

Nor do we know how much we as a society have lost by virtue of the fact that appropriate organs did not make use of all the opportunities provided by social control and corresponding taxation. We do not even have accurate records of property and income, and so forth.

The question is also posed whether as a political organization we realized in time the dangers arising from these processes, and whether in all the environments we set in motion the struggle against these manifestations. Have we given support for the trade unions, self-management organs, workers' control, organs of social control, inspection and other social services and state organs to perform their commitments and tasks and to take specific measures? Have we accepted responsibility for not preventing all deviant manifestations in connection with social property and unjustified acquisition of wealth without reference to work, and indeed for everything else that is incompatible with the social norms of conduct and socialist morality?

At the session today we must answer very critically this question as well and adopt specific ideopolitical positions for our activity during the coming period.

The struggle against unjustified social differences is part and parcel of the struggle for the basic principles and preservation of the material basis of the socialist self-management social development. This is why the struggle must be pursued along the whole line -- ranging from the source of income to the prevention of unlawful manifestations and active policy based on the well-known principle -- who has more must give more so that social requirements can be met.

Although inflation is a topic discussed at most of our meetings, from the viewpoint of our discussion today I must say this in conclusion:

Inflation is not a specific part of our social policy, but no part of our social policy can be viewed today without analyzing the baneful effect that inflation has on the totality of our social policy and on its main parts. Inflation slows down association, renders difficult a reduction in unemployment, devalues distribution of income in accordance with the work done, cancels out the effects of social protection, and provides succor to social destratification and helps the burden of inflation to fall mostly on the shoulders of the working class.

VOJVODINA PRESIDENCY DISCUSSES SECURITY SITUATION

LD252155 Belgrade TANJUG Domestic Service in Serbo-Croatian 1658 GMT 24 Oct 85

[Text] Novi Sad, 24 Oct (TANJUG) -- The unfavorable economic trends which are affecting the working people's and citizens' mood are creating scope for the enemy's intensified activity. This was stated at today's session of the Presidency of the Socialist Autonomous Province of Vojvodina, which dealt with the political-security situation in the province and the implementation of the SR of Serbia's law on internal affairs. In the Presidency's view, the existing circumstances call for increased mobility, alertness, a common stand, and heightened responsibility in the efforts to overcome present difficulties in society and in implementing the established policy.

The Presidency noted today that the provisions of the SR of Serbia's law on internal affairs are implemented in the province in a consistent manner. The internal affairs organs of the Socialist Autonomous Province of Vojvodina are cooperating successfully with the SR of Serbia's republican Secretariat for Internal Affairs in carryin out the tasks under their competence. They also enjoy sound cooperation with the Socialist Autonomous Province of Kosovo internal affairs organs in helping each other, exchanging information and in reaching agreements about the way in which to carry out certain duties and tasks. In the Presidency's view, such cooperation is of a particular importance in view of both the internal and external enemy's intensified activity.